

## **A COMPARATIVE STUDY ON WOMEN IN THE EUROPEAN BUSINESS WORLD**

**Daniela ISTODOR**

*The West University of Timisoara*

**Abstract.** *Today, women represent more than 50% of the world's population, yet in no country do they represent nearly half of the corporate managers. According to the United Nation's fourth Conference on Women, women hold only 14% of the top managerial positions in business and only 10% of national legislative seats. Barriers to women's entry into senior management, otherwise known as the „glass ceiling”, exist across the globe, and in some areas of the world it is worse than in others. Despite recent progress in most countries, women's advancement in the business arena has been slow. As we are into the 21<sup>st</sup> century, companies will need to increasingly reflect diversity in their workforce and management can no longer afford to ignore the positive impact women can make.*

**Keywords:** glass ceiling, masculinity/femininity, prejudice, stereotype.

### **1. Masculinity and Femininity – Hofstede's „taboo dimension of national cultures”**

In his book, *Culture's Consequences*, Geert Hofstede describes the masculinity/femininity dimension. His dimension was discovered as a result of factor analysis of work goals across branches of IBM offices in 40 nations. He also identified other cultural dimensions: individualism/collectivism, uncertainty avoidance, power distance and long term orientation. Very importantly, Hofstede reminds the reader that his dimension opposes „ego-goals to social goals”, and focuses on work goals at the national level, not at the level of individual personality. Masculinity, for Hofstede, refers to a culture in which men should be assertive and focused on economic success, while women should be modest and focused on quality of relationships. Femininity to Hofstede is present in societies where both men and women alike should be modest and focused on relationship quality. Examples of masculine nations include Japan, the United States, Germany, and Mexico. Feminine nations include Nordic nations such as Finland and Sweden, Costa Rica and Thailand.

A useful feature is a case narrative that contrasts the work habits of a hypothetical worker from a feminine nation with those of a hypothetical person from a masculine nation. For instance, this prototypical feminine worker prefers not to work on the weekend, because he must take his children to the zoo (family before work). Hofstede is quick to point out that not everyone in a given culture adheres to the same dominant thought pattern.

Hofstede notes that the masculinity/femininity dimension correlates with a preference for higher salaries over shorter work hours; a preference for larger over smaller enterprises; a lack of permissiveness for soft drugs, prostitution and divorce; and a relative need for recognition over benevolence. He also includes a table of key differences between masculine and feminine societies, which lists differences along

## Management & Marketing

---

general norms in the domains of family, school, work, politics, and prevailing ideas. For instance, masculine nations believe „one should live in order to work” and that feminine cultures feel „one should work in order to live.”

According to Hofstede, *feminine cultures* tend to have the following features:

- Caring for others is a dominant value
- Relationships are important
- People should be modest
- Both men and women deal with facts and feelings
- People work to live
- Managers aim for consensus
- Equality, solidarity, and quality are important at work
- Conflicts are solved by compromise

*Masculine cultures* tend to have the following features:

- Material success is a dominant value
- Things are important
- Men are assertive
- Women deal with feelings
- People live to work
- Managers are expected to be decisive
- Competition and performance are important at work
- Conflicts are fought out

### 2. Women in the European business world

In history books, empresses such as Catherine the Great have stepped into positions of leadership as the widows, daughters, or mothers of men. In business, too, management has been a male preserve, with the occasional top executive who is a woman figuratively stepping into the shoes of men. In other words, power has been synonymous with maleness and it has been equated with a particular type of power (the power to give orders and to be obeyed) and with certain types of characteristics such as strength, toughness and decisiveness, stereotypically considered masculine.

Today, women represent more than 50% of the world’s population, yet in no country do they represent nearly half of the corporate managers. According to the United Nation’s fourth Conference on Women, women hold only 14% of the top managerial positions in business and only 10% of national legislative seats. Barriers to women’s entry into senior management, otherwise known as the „glass ceiling”, exist across the globe, and in some areas of the world it is worse than in others.

Women in North America have probably advanced farther and faster than women in any other region of the world. Nancy Adler, a professor at McGill University, is one of the world’s authorities on women in international business. According to her research, women’s participation rate in U.S. management has increased slowly but steadily in the twentieth century from 14% of all managers in 1950 to 42% in 1992, whereas in Europe or Asia, women’s representation in management is around 20% to 30%. Women in the United States have benefited from affirmative action and equal opportunity laws that

hold employers accountable for promoting women. In France during the 1980s, legislation was passed that made unions the „porte-parole” of women’s progress. Women in Europe have also benefited from a history of trail blazing with regards to family-friendly laws. In Eastern Europe, quotas were set regarding the number of women in local management.

All of these initiatives have greatly paid off. In Great Britain, for example, the number of women directors doubled from 1993 to 1997. In Germany, women are becoming increasingly present in the political arena. Despite recent progress in most countries, women’s advancement in the business arena has been slow. As we are into the 21<sup>st</sup> century, companies will need to increasingly reflect diversity in their workforce and management can no longer afford to ignore the positive impact women can make.

### **3. Generations of women entrepreneurs**

Despite the fact there is a critical gap in the modern history of women entrepreneurs, author Joline Godfrey believes we have enough documentation to categorize women into three generations:

1. First generation, this goes back to the return of the century and included many service activities that catered to the personal needs of customers. These business included laundries, teashops, and bakeries. Many of these businesses did not require capital.

2. Second generation includes those businesses taken over by the daughters of their founding parents as well as those businesses that were started by women with education and training that left high-level jobs to start their own business.

3. Third generation represents women who have more than one business, have sold one or more businesses, invest in other businesses, and have sufficient capital or access to it to move into other business opportunities. These women may be board members, leaders of policy-making bodies, and are in the position to influence the next generation of owners.

### **4. Barriers confronting women in the work place**

There are a variety of global issues that confront women in the workplace.

*Women are more likely to be pigeon-holed into less challenging positions than men.*

Women are often placed on a separate, and less promising, career track. Among other skills and talents, upper management positions require broad and varied experience within the company, and preferably profit and loss responsibility. Many potential executives are „pipelined” through certain high-visibility and high-responsibility areas such as marketing, finance, and production, often referred as „line” positions, in preparations for upper management promotion. According to a recent survey, men occupy approximately 94% of the line positions. Women tend to be in supporting, staff function areas-personnel/human resources, communications, public relations and customer relations. Movement between these positions and line positions is rare in most major companies. Katrinli and Ozmen conducted a study of thirty-one senior women managers in Turkey, where the proportion of female managers is slowly increasing, but

male managers continued to be preferred over female managers. When asked during an interview what their key factors of success were, most women cited „hard work” followed by „being good at my job”. When asked whether these key factors would be the same for men to succeed in Turkey, most of the women responded that there was no difference. An issue women manager face in Turkey is the continuing perception that some jobs are better suited for men than for women. This is a stereotype that can be found across the globe, women are seen as more „human” and therefore better suited for a specific type of job such as human resources, communications, public relations, and marketing. Management, especially in areas such as finance and information services, continues to be seen as a job better suited for men.

This could be linked to women’s role of mother or primary care taker in the family. The stereotype is that if a woman’s focus on bearing children, she would subsequently be taking time off, and could not be considered an effective front-line executive. In Chile, a woman’s marital status can be an important consideration during the hiring process. It is generally featured at the top of the resume with other essentials such as such as name, address, and phone number, along with a photograph. A young, married woman with no children can be considered a “risky investment” because the perception is that she will soon have children, leave her job, and the company will have to pay for pregnancy expenses. During the 1980s in the USA, a track called “the mommy track” was designed to facilitate having children and maintaining a professional life. Nevertheless, many women who choose to have children still maintain high career aspirations and get stuck in less challenging and demanding jobs.

*There are significant pay gaps between women and men in the same position.* Despite significant progress and a variety of laws designed to prevent wage discrimination, women are still earning less than their man counterparts for the same job. In the USA, the nation’s highest-paid female corporate executives earn 68 cents to every dollar earned by the highest paid corporate executives, according to Catalyst, a New York based non-profit group. In Romania, a survey conducted by National Institute of Research in the Field of Labour and Social Protection, in June 2000, revealed the gender pay gap, and the fact that women’s average gross salary is systematically lower than men’s. Research shows that girls are directed towards professions that are traditionally poorly paid and maternity is a serious obstacle in professional evolution and promotion. One report also concluded that women have lower wages than men even in „feminized” areas of employment and that employer behave in an overtly discriminatory fashion by unfairly dismissing women from employment or, by employing cheaper female labour

Statistics show that in Romania there are more women than men in sectors financed by state budget; for example education, health, social services, trade, hotels and restaurants etc. Remuneration in these spheres is generally up to one third lower than the average salary in the economy as a whole. Men prevail in better-paid sectors, such as mining, energy, metallurgy, chemistry, transport and communication. Exceptions include the financial, banking and insurance institutions, which have the highest level of salaries (over 2.5 times greater than the national average) and where women predominate.

### A comparative study on women in the European business world

According to the results of an inquiry into the cost of workforce from 1994 to 1998, men's average salary was up to 32% higher than women's average salary.

*Exclusive corporate cultures.* One influential factor still affecting women's advancement in business, and this is true in many areas across the globe, is that most of today's existing work environments were designed by men. Women, functioning in sometimes a more male-oriented corporate culture, are under constant pressure to adapt or transform their styles of working. Richstone, Chief Financial Officer at an Information Systems corporation, stated that „what becoming a thing of the past are women who think that the way they are going to the top is by being more male than the males.” In Japan, for example, women face a challenge to adapt to the expectations that management requires mixing work and play, often by drinking and bar-hopping until late hours. In South American countries, strong, unspoken norms exist about what is appropriate or inappropriate for a woman to do, regardless of her career position. As such, higher level female executives can be excluded from after-work activities. In some American corporate environments, younger generations of women have eradicated the male designated corporate culture by joining in, and instigating, happy hours, golf games and softball tournaments.

*Fewer women are asked to take on risky positions.* One area where this is particularly evident is for expatriate work. Fewer women are asked to fill expatriate positions although just as many women request these positions abroad. Nancy Adler undertook a study to determine whether MBAs from seven management schools in the United States, Canada, and Europe would like to pursue an international assignment during their career, the overall response was 84% favorable, with little difference between male and female responses.

Many companies fail to send women abroad in particular areas of the world where the demarcation between male and female roles is clearly defined. Global women managers often talk about the „double-take” or stares they receive in Asia, South America, or the Middle East when they are first introduced. For instance, in Latin America, women report having been mistaken for the wife or the secretary during important high level business meetings and social events. However, most women who were sent abroad say that the first reaction is quickly replaced by professionalism and respect. Nancy Adler interviewed many women who held challenging positions in what are considered non-women friendly countries, and nearly all reported their assignments successful. When women have been nominated for an international business assignment in what the company thought would be a hostile culture, most of these women have succeeded because they could adept easily at cross-cultural management skills, used behavior patterns emphasizing sensitivity, communication skills, community, and relationships. This personal orientation is valuable in globalization.

The difficulties women may encounter when working abroad depend to a certain extent on the social and economic context of the country in which they are conducting business, and on the individuals with whom they come into contact. Both the woman international manager and the company she represents can take steps to minimize any negative aspect that might be encountered.

## 5. Examples of several European countries

Roger Axel in his book *Do's and Taboo's around the World for Women in Business* has a special chapter in which he examines the status of local businesswomen and provides insights and tips on business behavior, customs, and protocol for each country.

*The United Kingdom.* Women and men continue to be employed in different occupations sectors. Women form the majority only in clerical and secretarial work and in sales and personal service occupations. Contrasting with this rather bleak outlook, there is some evidence of a positive shift in employers and employees attitudes towards women as managers. Women's opportunity for a career in management depends heavily on the industry sector. The Equal Opportunity Commission showed that in 1991 the large majority of women managers were employed in retail distribution, (250,000), followed by hotel and catering, with less than 100, 000 women managers. Banking and finance, medical and other health services, and food, drink, and tobacco each employed less than 50,000. Women in Britain are increasingly entering management in non-traditional sectors, such as manufacturing, insurance, and banking.

A recent study in the public sector of 2,000 National Health Service (NHS) employees in the United Kingdom investigating leadership from employees' viewpoints revealed that the best leaders take on a „servant/partner” role as opposed to a „heroic” role. Responders said that women were more effective than men in displaying the “servant/partner” style of leadership. Surprisingly, male middle managers rated women as much more effective than men on 13 out of 14 leadership traits. Female middle managers rated women higher than men on nine areas. However, not one male senior manager rated women higher on any of the traits and female senior managers rated women higher on just one trait. Another survey carried out by the British Institute of Management, found that the number of companies employing women executives increased from 49 % in 1986 to 64% in 1999.

*France.* The motto of the French Republic *Liberté, égalité, fraternité*, does not apply fully to French women in business. The majority of urban French women work outside the home, but few are found in top business positions. According to famous anthropologists Edward T. and Mildred Reed Hall, the exceptions are in such fields as advertising, cosmetics, fashion, and art. Many French men, especially the older generation, have difficulty accepting women in business.

However, the traditional family model, that requires women who marry men of the same social-professional class to hold jobs of inferior status to those of their husbands, does not fit any longer. The attitude towards women's employment in France has changed after the Cultural Revolution in 1968. At that time the traditional division of labor within the family came under public criticism, especially among the middle-class urban population which had weaker ties to Catholic patterns of life. Young women began wanting to have the same careers as men. Since the mid -1960s, the number of women graduating from the second cycle of secondary education has exceeded the number of men graduating. Men are more likely to attend vocational high schools, while

### A comparative study on women in the European business world

women are more likely to remain in academic high schools, which lead to university studies and white-collar jobs.

According to Association for Managers' Employment, in 1990 women managers were employed in marketing and sales, but now they are moving to other fields such as communication and information systems. Although the proportion of women in corporate management is small, less than 3%, it is on the rise.

*Germany.* Edward Hall states: "German women have less status in the business world than American women. The percentage of German women in professions and business is far lower than in the United States."

In 1995, German women occupied fewer than 5% of managerial positions. Accordingly, American or Canadian women living and working in Germany find signs of resentment from both males and females in business as well as an absence of social contact and support.

*Italy.* It is no accident, writes cross-cultural expert Robert T. Moran, that the two most popular and common expressions in Italy Mamma Mia! and Madonna, refer to female icons. In Italy the woman is the backbone of the family. This gives the role of women a special place in the world of relationships. But when it comes to the world of business, the man is the patriarch. As a result, while Italy is the twelfth largest economy in Europe, women play a minor role in its business sector. Approximately 36% of the workforce is female, with very few in decision-making positions. Italian women managers will be found in female-oriented business dealing with fashion, art, and cosmetics, and those can rank among the most sophisticated, professional and powerful women in Europe. This is especially true in family-owned businesses.

*Scandinavia, Denmark, Sweden, and Norway.* Each of these countries has a separate identity and culture, which adds up to an important phrase in international business-, "national pride." In Sweden, working conditions for women are among the most favorable in Europe. Ironically, these benefits have made it easier for Swedish businesswomen to return to traditional roles.

- Some 85% of Swedish women work, composing half the workforce.
- They earn 77% of wages paid to males, a figure still higher than in most countries.
- However, Swedish women hold only 8% of private-sector managerial jobs.
- Women are entitled to paid, one-year maternity leaves plus government-supplied baby-sitters. Men are provided the same paternal leaves, but rarely take them.

These liberal conditions have tended to retard the advancement of women in business by encouraging them to subordinate career ambitions in favor of traditional roles of wife and mother. In Denmark, women have equal opportunities for managerial positions in business, but their numbers are still small. In Norway, families are important and husbands and wives share authority. However, more and more Norwegian women are retaining their own last name after marriage. In business ranks, Norwegian women enjoy considerable equality. They are present at all levels of corporate life.

Finland was the first European country to give women the vote, in 1906. In Finland's parliament, about 40% of the members are women. In the rank of Finnish

business, there are a significant and increasing number of women in senior management positions. Social regulations are liberal. It will not be unusual if one's business counterpart-male or female-breaks off a business meeting or leaves work to pick children up at school or care for them when they are ill.

*Russia.* When democracy and capitalism emerged in Russia, women became less than equal citizens. In the old Soviet society, full-employment was mandated; in the new Russian society jobs are not protected and thus, women lost out. Women constitute 70% of the unemployed; there are four times unemployed women than unemployed men.

The social status of Russian women is qualitatively getting worse. In addition, the current Russian business society is very patriarchal, with few Russian business-women among its ranks. Russian women constitute about 50% of the workforce, but only about 5% of the managerial corps. However, teachers and doctors are predominantly female; so too are about 50% of the engineers.

### 6. Conclusions

Although women have achieved significant advances since entering the workplace, there are still many things to be done. Numerous barriers still exist for women across the globe. Women are as qualified and as talented as men. Companies need to take more responsibility to fully integrate women into their environments at all levels of the corporate hierarchy. The long-term goal is gender equality in the workplace: equal job opportunity, equal pay, and equal advancement. In today's competitive world, ignoring the potential of a great component of workforce may be extremely costly. The question is how quickly and effectively each company will increase the number of women in their managerial workforce.

### References:

- Adler J.N., Izraeli D.N (1994) *Competitive Frontiers, Women Managers in a Global Economy*. New York: Blackwell Business.
- Allen S., Truman C. (1993) *Women in Business, Perspectives on Women Entrepreneur*. New York: Routledge.
- Axtell, E. R.(1997) *Do's and taboo's around the world for women in business*. New York: John Wiley and Sons Inc.
- Dupriez, P. (2007) About culture and value. Research orientations in cross-cultural management, *Management & Marketing*, 2 (2), pp. 3-10.
- Fagenson, E. A. (1993), *Women in Management*. New York: Sage Publications, Inc.
- Gibson, R. (2002) *Intercultural Business Communication*. Oxford: Oxford University Press.
- Hofstede G. (1996) *Managementul structurilor multiculturale – Software-ul gandirii*. Bucuresti: Editura Economica.
- Ionescu, Gh. Gh. (1997) *Dimensiunile culturale ale managementului*. Bucuresti: Editura Economica.
- Kanter R.M. (1993) *Men and Women of the Corporation*. New York: Harper Collins Publisher.
- Munteanu V., Pantea I. M., Ștefea P. (2006) Integration of Social Responsibility in Business Strategies of Romanian Organizations. A study in the West Region, *Management and Marketing*, no. 2, pp. 73-88.