



Mainstreaming **Gender Equality** in European Leadership

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Foreword

by Ebba Öhlund

Since its foundation, CEC European Managers, the European social partner organisation representing managers' voices, has been campaigning for gender balance at all levels of society and the labour market, including in decision-making positions at companies. Like in many other respects, managers are doubly concerned by gender equality approaches in the workplace: because disparities affect women managers directly and because they bear the responsibility of adopting the right policies to increase the share of women among the rest of the workforce.

The reality of gender equality in our societies and the need for more incisive action to achieve it has reached a particular level of attention by EU policy-makers, with the clear will of the current Commission and its President to make equality a political priority.

In parallel to this renewed political attention, awareness of the need for gender balance has increased due to the effects of the COVID health crisis on our economies: one year after the onset of the epidemics in Europe, figures show the reality of a crisis that disproportionately affects women. From



the toll of domestic violence and harassment to the strains induced by telework on work-life balance (especially due to a lack of effective childcare provisions) and in particular of female managers, women have generally paid a higher price than men over the last 12 months.

As European countries prepare to implement their recovery strategies, acting to ensure the presence of women at all hierarchical levels is necessary to make sure that the recovery can be sustainable, inclusive and human-friendlier.

Against this background, this position paper (drafted with the contribution of the members of CEC's Working Group on Gender Equality and Diversity) aims at contributing to the ongoing debate about what voluntary or legislative measures are needed to narrow and eventually close one of the many gaps that still separate men and women: the lower presence of women in leadership positions in Europe.

The following pages analyse the state of art of equality in decision-making in Europe by looking at figures and statistics and will then present CEC's conclusion from a past study on ways to promote women in management, concluding with some recommendations (also drawn from recent initiatives) on concrete policy directives.

Among the different avenues for action mentioned in its Gender Equality Strategy 2020-2025 presented in March 2020, the European Commission specifically identifies the objective of adopting measures to improve gender balance at all levels of their management and in leadership positions. Working towards achieving this objective at EU level is centred around the proposal of a directive introducing minimum quotas for gender representation on boards of listed companies, presented by the European Commission in 2012. President von der Leyen herself referred to this proposal in her political program in July 2019.

Indeed, self-regulation is a very effective tool to promote change from within companies – our study (to which reference will be made in this paper) precisely demonstrates this position. However, when this strategy does not bring about change at the right pace, targeted legislative measures setting quotas to ensure a minimum presence of the underrepresented gender in company boards are needed.

They have proven effective in those countries where they have been adopted – and among them, some have radically changed their positions on the need to move forward in legislation. Along the same line, the European Parliament as well as the German and Portuguese Presidencies of the European Union have reiterated the need to deliver on this issue.

We believe the time has come to boldly support EU legislation requiring gender balance on company boards.

The proposal of the European Commission can represent a basis for discussion, which can be further improved or amended (some suggestions for possible amendments can be found at the end of this paper), to make sure this provision can generate systemic effects on the presence of women at all hierarchical levels.

Nevertheless, action is needed, now. And we call on all concerned stakeholders and institutional actors to come together identifying joint solutions in order to improve the content of the proposal and transform it into reality, where necessary.

Equality in decision making: where do we stand in Europe?



According to recent data elaborated by the European Institute for Gender Equality (EIGE), the number of women sitting on boards of the main EU publicly listed companies¹ was 28% in 2019. National figures range from the highest value recorded in France (44.2%) to the lowest ones recorded in Malta, Cyprus, Estonia and Greece (all totalling 10% or less). Values are slightly lower for more traditionally male-dominated sectors such as mining and construction, and slightly higher for the manufacturing and wholesale industries.

COUNTRY CASE - Managers in female-dominated sectors: the case of Sweden

Ledarna, the Swedish association representing managers in all sectors, published a report in 2019 based on interviews and surveys among its more than 90,000 affiliates, pointing out a few correlations between managers' individual salary and work patterns and their gender. The study shows that women managers working in female-dominated sectors (mostly care and education) tend to be more educated than men, but are usually paid less, supervise larger teams and spend more time in irrelevant, useless or unnecessarily time-consuming activities. For more information, the text of the report is available [here](#) (in Swedish).

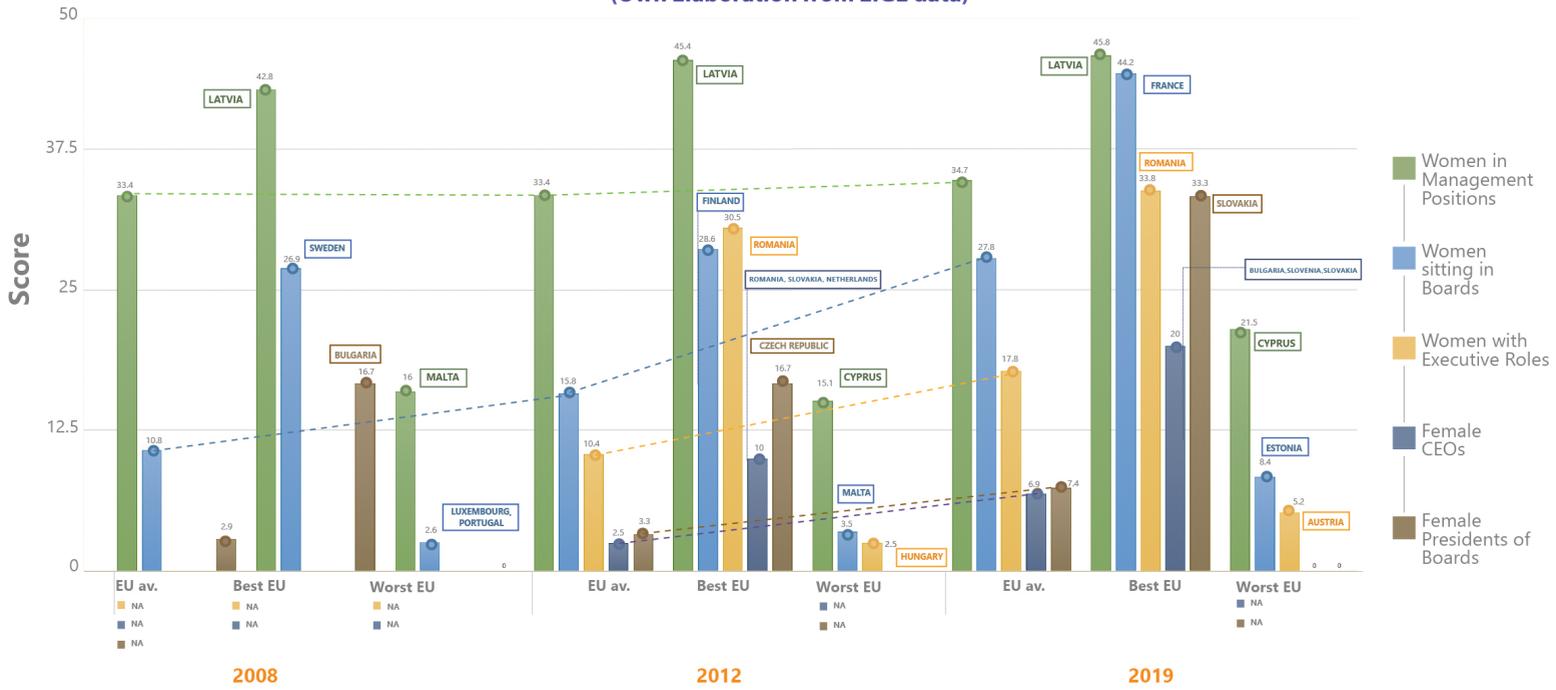
If we look at the gender composition of the "operational" company management, the difference between the female presence at top-level managerial positions (executive) and lower levels is very significant: with an average value for the EU of 17,9% of female executives (in 2019), national scores range from the (rather surprising, since it is opposite from the value recorded for board members) 33,8% of Romania to 5,2% of Austria

At the very top of the ladder, female presence is even more rarefied: only 6,9 CEOs out of 100 (with Slovenia, Slovakia and Bulgaria reaching a peak 20% and six EU countries – Czechia, Germany, Latvia, Luxembourg, Poland and Portugal having none) and 7,4 Presidents of Boards in the EU are female. The graph below will provide an immediate overview of the main indicators mentioned above.

¹ According to Eurostat, the "largest" companies are taken to be the members (max.50) of the primary blue-chip index, which is an index maintained by the stock exchange and covers the largest companies by market capitalisation and/or market trades.

Trends in female presence in managerial positions in Europe, 2009 – 2019

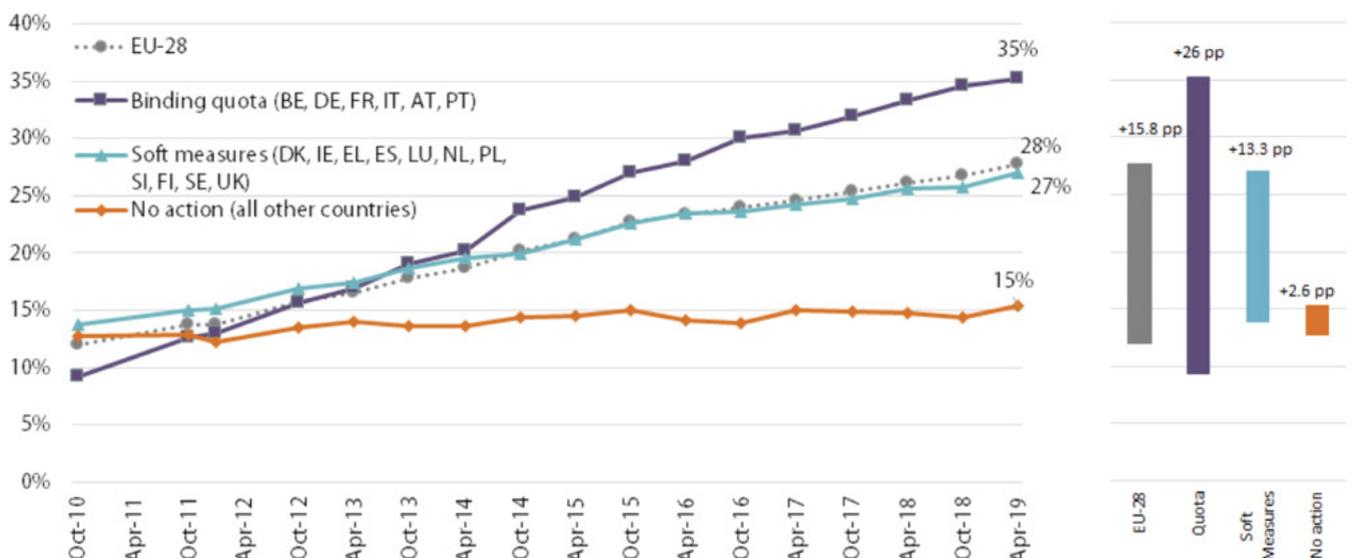
(Own Elaboration from EIGE data)



Yet, progress has been notable over the last 10 years: from an average of 8.5% of women sitting on boards in 2003 (the earliest available data) to 16% in 2012, and to 28% in 2019. Although at a slower pace, the same pattern can be observed for the figure of women executives, whose percentage has risen from the initial 11% recorded in 2013. Looking closer at national data, the sharpest

increase in values corresponds with the introduction of legislation setting rules for gender balance in boards based on quotas. Elaborated by EIGE, the graph below shows precisely how the sharpest increase in total figures can be observed in the countries having decided to adopt 'hard' legislation as opposed to countries having opted for non-compulsory measures instead.

Figure: change in the share of women on boards of the largest listed companies October 2010- April 2019 by type of action taken - Source: EIGE



In some countries where binding measures were initially adopted for a limited time, further research shows that the pace of increase has slowed down after the legislative provisions expired.

Finally, a quick glance at the current political environment in Europe shows a pretty favourable stance of EU institutions towards the implications of gender equality in European society, and a strong awareness of the need to advance on the path of a more balanced representation between men and women. With a woman chairing it for the first time in history, the current European Commission counts among its cabinet members the first Commissioner responsible uniquely for Equality, Helena Dalli from Malta, and is also the most gender-equal of its history (with a total of 14 men and 13 women). In her political guidelines, President von der Leyen – herself former Minister for equal opportunities in her country – has stated the central role that equality plays in her programme, pointing specifically at improving gender equality in the economic domain and fighting violence. Moreover, breaking the glass ceiling by ‘pushing for a majority to unblock the Directive on women on boards’ is mentioned clearly as a precise political objective of her mandate in her program.

The first proof of this renewed engagement has been the adoption in March 2020 of the Gender Equality Strategy 2020-2025, the ‘roadmap’ of the action the European Commission intends to follow to deliver on its equality agenda.

This roadmap is structured around five pillars: ending violence, harassment and gender stereotypes; increasing equality in the workplace and economic life (including education); reducing female underrepresentation in leading positions within companies, in politics and in society; gender mainstreaming in all policy domains



of both the internal and external dimensions of the EU action, and finally providing adequate financial support to help all stakeholders succeed in their share of the work. The recent proposal for a directive on pay transparency (see Chapter 5) is the first concrete initiative adopted in the wake of the Strategy.

Promoting women in management: conclusions from past CEC research



The attention of CEC European Managers to the issue of advancing women in managerial positions dates back to 1996, when a conference was organised under the auspices of the Italian Presidency of the EU at the time to discuss the challenges of the participation of women in decision-making at the European level.

In 2014, CEC concluded a European project on the promotion of women in managerial positions, funded by DG Employment and supported by a consortium of national and European social partner organisations. The project was structured around two main deliverables:

- A **study**, conducted by Professor Linda Senden from the University of Utrecht, investigated the legislative and regulatory (i.e. non-binding) panorama of measures aimed at increasing the gender balance in decision-making positions in a selected group of European countries (Sweden, Norway, Germany, Poland, France, Italy and the UK)
- A **report** on best practices adopted by companies of different sectors (from fashion to chemicals, and from industry to hospitality) to promote female management and support women in climbing to the top of the hierarchical ladder.

Here are the main conclusions that could be drawn from the report, discussed during a two-day conference attended by more than 100 participants:

- There is a clear business case for improving gender balance at all company levels: making use of the full potential of everyone helps counter the shortage of managers, increases diversity in teams and offers companies the opportunity to portray a different image that can attract new customers.
- When looking at the different policies adopted by companies, it is clear that no-size-fits-all solutions exist, as every company, sector and country have their own specificities. However, all successful internal business policies share some common traits: setting precise goals for increasing the share of women and focusing on transparency, credibility and measurability of such goals; investing in the power of role models and mentoring programs to raise awareness internally; supporting the creation of networks to help mobilise all company departments and functions in this process. Achieving gender balance is not a prerogative for HR officers, but must become a transversal goal for the whole organisation to achieve. Real change only happens if top management is involved and motivated to reverberate adaptation at all company levels



- The most effective tools to push for greater numbers of women achieving managerial positions in companies is a balanced mix between legislation and self-regulation. While self-regulatory and co-regulatory approaches could fall short of bringing about outcome equality, they can be considered rather indispensable steps towards creating a basis of support for this policy goal and for adopting a more forceful legal approach when sufficient progress is not being realised. In this respect, self-regulation and co-regulation are indeed important mechanisms for bringing about more industry, political and public awareness of the problem itself as well as for re-thinking appropriate and effective responses to it.

Six years after that study, the lessons drawn from it are still very present and meaningful. For more details about the project, its partners and to read the full version of the final report, you can visit our webpage [here](#).

Looking ahead: advancing towards more women in managerial positions



This chapter looks at concrete policy proposals that contribute effectively to increase gender balance in the workplace, tackling obstacles that make it more difficult for women to climb the ladder.

Improve work-life balance for working women

Choosing between developing a professional career and investing in private and family life should not have to be an alternative path, nor should it be the result of an external, obligatory choice. This concretely translates into investing in the provision of **affordable** and **quality childcare facilities**, effectively offering working parents wishing to do so the possibility of returning to work shortly after birth.

It is no surprise that countries dealing with the difficult choice of what sectors to ‘shut down’ during lockdowns have always seen closing schools and day-care facilities as the last option.

In this field, we see the importance of ensuring a strong role of public services: employers have clearly a big responsibility in providing such services to their employees and can make a difference in offering tailor-made solutions, but it is vital that policymakers recognise the societal value of childcare and support it. Furthermore, ensuring a wide-spread availability of such structures would have positive consequences in terms of overall employment.

In regulating domains that have a strong impact on private life, policymakers should always adopt a cautious and limited approach.

For instance, provisions setting compulsory maternity leave periods should be very carefully, as they would indirectly contribute to further reducing women’s opportunities for career advancement. Clearly, the choice of how to organise the uptake of family responsibilities belongs to the individual sphere (where regulatory intervention should be limited) and is highly dependent on cultural stereotypes originating from deeply entrenched gender roles that need to be tackled from a cultural and educational point of view (at society level).

Effective provisions to ensure work-life balance are essential to **contrast the idea of the ‘inevitability’ of women taking up all family duties.**

Therefore, supporting the adoption of measures that can contribute to creating the conditions for an equal participation of men and women in family responsibilities, such as setting a minimum of 10 working days of **paternity leave** for all EU fathers, coupled with the partial **non-transferability** of parental leave between the two parents (irrespective of their gender) as introduced by 2019 Work-Life Balance Directive is an effective measure that goes in the right direction.

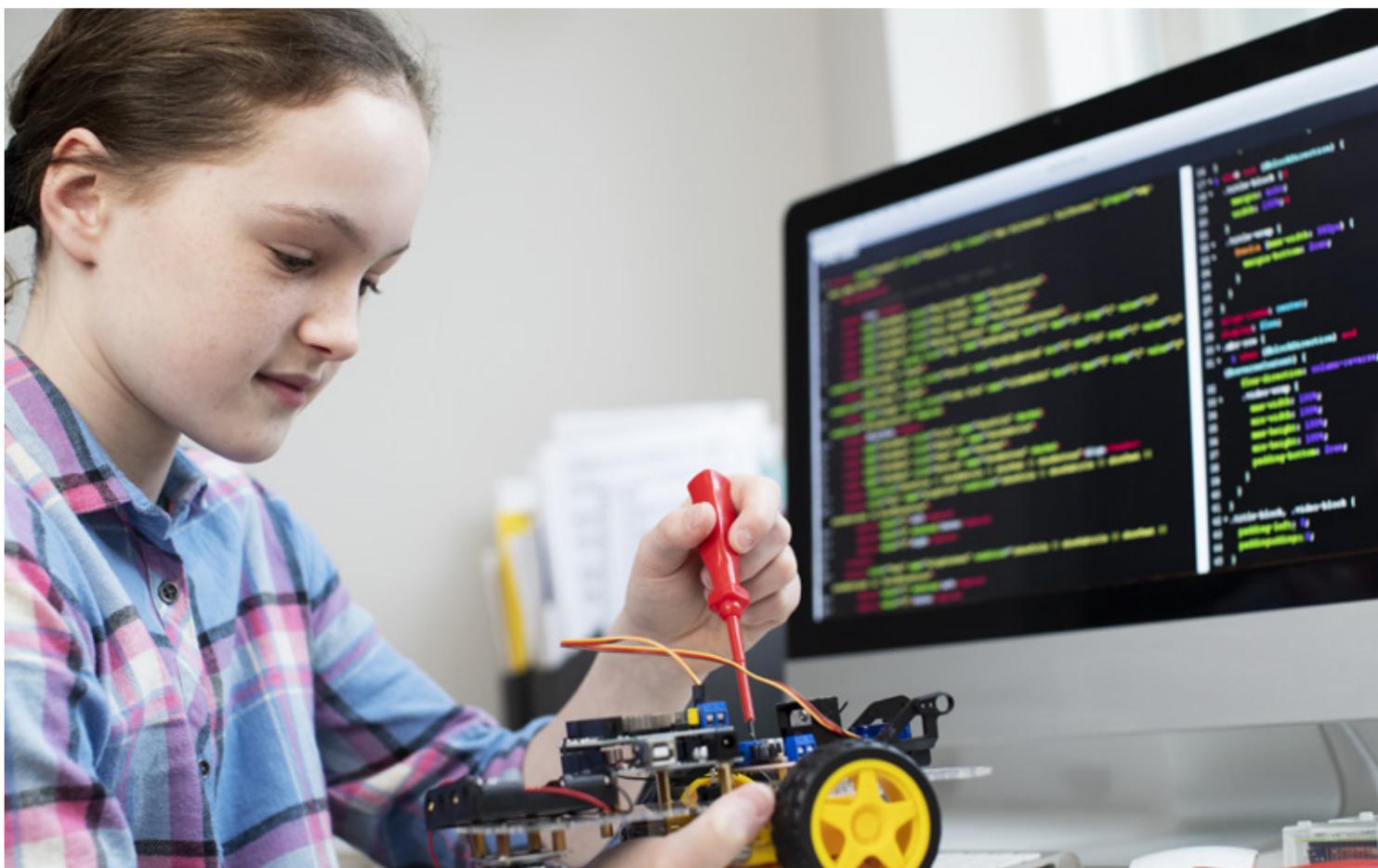
Push for change from within companies

As pointed out in the 2014 report, the adoption of an internal company culture that fosters equality and implements supportive policies is the necessary complement to any regulatory approach in order to ensure that the journey towards gender balance in leadership positions does not result from mere compliance but becomes enshrined in ordinary business processes.

This '**gender mainstreaming**' approach requires action from several angles: from supporting internal evaluation and awareness-raising campaigns to mentoring and promoting role models, from collecting best practices within functional departments and among companies to investing in training.

Providing financial support to support companies in this process is fundamental; the European Commission is being called upon to create specific funding lines in targeted EU programs to help private companies and public organisations raise awareness on the importance of mixed and gender-sensitive leadership.

In parallel to providing financial support, the creation of uniform criteria for identifying 'gender' champions at the EU level, which could be, for instance, certified by the award of a quality logo by the already existing agencies of the European Union that are responsible for equality and the employment market (EIGE, Eurofound) could further contribute to raising awareness and foster 'societal' competitiveness among EU companies.





The role of education in gender equality

Different career trajectories between the genders also depend on the educational preferences of boys and girls. Countering inequality from an early age, and already in the environment where competences are built and professional paths are drawn, can effectively prevent distortion from happening at a later stage in the workplace. The primary source for gender 'disparity' at school is stereotyping, a process whereby individuals are expected (socially) to adhere to certain fixed rules (in social behaviour) based on their gender. According to EIGE, [stereotypes that still exist with regard to the educational and professional options available to women help to preserve inequalities.](#)

This has serious repercussions on the labour market, limiting career diversification and often placing women in occupations that are less valued and remunerated. Despite girls scoring better than boys at school, including fields traditionally considered as a male prerogative like STEM (Science, Technology, Engineering and Maths), women are underrepresented when it comes to working in those sectors.

Conversely, the same holds true for professional domains that are considered to be a traditional stronghold for female employment: if we look at the education sector, women are overall more present than men; however, they become the least represented gender if we look at tertiary-level education in general, and are even less represented at decision-making levels in academia.

Clearly, the choice of schooling is a private matter that should depend exclusively on individual choice and preferences.

However, several policy options could be accessible to transition towards an education system that is neutral to gender influencing.

More **flexibility** in the definition of school curricula should be guaranteed, including the access to more **tailor-made** education paths and a higher degree of **hybridisation** (as to progressively deconstruct the rigid dualism between STEM and non-STEM subjects).

Also, more structural **exchanges** with the world of work (via educational training) is fundamental in preparing students to their future professional challenges and offer them a clearer, unbiased view of the actual prerogatives and specificities of the different professional options.

Finally, increasing the opportunities for **informal education** and life-long learning, as they become more and more relevant in a constantly evolving world of work, can contribute significantly in providing future professionals with a wider array of knowledge and workable competences that can help adaptability and re-orientation choices.

Tackling pay disparities

Coherently with its long-standing position on the issue of gender pay gap and the challenges associated with the implementation of the 'equal pay for equal work' principle at EU level, CEC identifies the uneven participation of women in the process of career advancement as the main driver for average pay disparities between men and women.

As our **report** on the state of the managerial workforce in Europe published in 2019 stated, gender pay gap for women managers reached an average 30% within the EU, almost twice as high as the value recorded for other workers.

While promoting the access of women to all hierarchical positions and supporting them in their career path remains key to narrowing the gender pay gap, a series of other aspects associated with the way salary policies are defined and promoted by companies have an important role to play. The recently adopted proposal for a directive on pay transparency, presented by the European Commission in March 2021, represents a valuable contribution in this sense.

First and foremost, the importance of **transparency**, both internally and externally: it can help employers acquire a better awareness of their performance in terms of gender equality (which, ultimately, results in a more effective use of the resources already available) as well as contribute to creating a better image of businesses, for instance appealing to new customers or as a privileged recruiter for high-level job seekers.

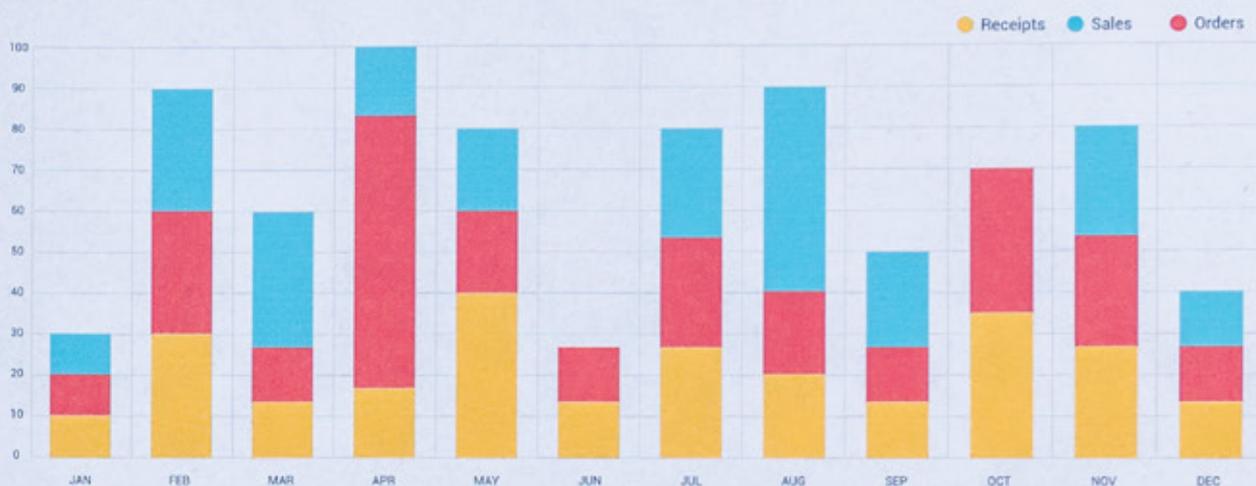
Adopting gender-neutral classifications and descriptions of job openings contributes to securing that 'cultural' change that is a precondition for gender equality to become a reality in every workplace.

The provisions of the proposal also include effective measures to guarantee a right to information and proper mechanisms to ensure a regular assessment of the actual state of advancement of companies in ensuring the respect of the 'equal pay for equal work' principle. Along the same line, we are in favour of **remedy measures** for individuals having suffered from discrimination and penalties for companies being responsible for such violations and very much welcome the 'cooperative' approach that results from specific initiatives like the mechanism of joint pay assessment, the role of equality bodies and the involvement of social partners.

Overall, the text proposed by the European Commission represents a balanced solution, as it sets clear rights for individuals and obligations for companies while safeguarding the right to privacy, which would have likely been weakened had a more extensive definition of the role of (and information expected from) individual comparators been included in the text. It is essential that, throughout the whole implementation process of the directive, national lawmakers retain that the overall objective of these measures should be to allow for identifying how on an aggregate level a company performs in terms of pay equality, and not instead to allow for specific individual comparisons that could be detrimental to the privacy of the person identifiable as a potential 'comparator'.

Moreover, the definition of the concrete mechanisms allowing for the implementation of the information, assessment and redress tools will have to be done in close cooperation with representatives of companies and managers, in order to identify the best solutions to reduce the risk of creating excessively burdensome operating rules.

Our company



Business items



Walking the extra mile:

delivering on female leadership in companies

As shown by the figures in Chapter 3, the introduction of legislative measures to set binding minimum requirements for balanced gender representation in company boards has proved more effective than the recourse to 'soft-law' mechanisms.

Having worked in many and different countries of Europe, the case is there to support the adoption of similar tools also at EU level.

Regulation should always be considered as a last resort, the recourse to which comes as the acknowledgement that the pace of change is not fast enough to allow for substantial effects.

Evidence shows that the 'pressure from within' companies to adopt equality-friendly policies is the most effective tool to ensure that 'going equal' is truly embedded in the company culture and is not done only to accomplish a legal obligation: it can trickle down to bring about a structural change at all hierarchical levels (including operational ones).

Yet, the time has come to acknowledge precisely that the speed of change has so far been insufficient, and that an EU initiative is necessary.

Clearly, legislation alone will not be sufficient to solve the issue, bringing parity at board levels and in the other company domains. Action from the legislator is needed now.

The debate in the European Union on the need to recur to legislation is almost a decade old: in 2012 the European Commission presented a proposal for a directive introducing the obligation of Member States to pass legislation setting a minimum presence of 40% of either gender

in non-executive positions at board level in public companies, to be attained within a specific number of years.

The directive identifies criteria that must be followed in the selection process of candidates, sets precise reporting duties and sanctions for companies not achieving the objective within the given time.

The proposal for the directive seems well structured and respects a series of key principles: it establishes a **clear and measurable** numerical objective, endorses the '**exceptional**' nature of legislative intervention inasmuch as it establishes a limited duration in time of its validity and, more importantly, stresses the concept that selection must be inspired first by competence, skills and an equal level of qualification.

This is a key feature of this initiative: for the 'change' brought by quotas to be structural and remain beyond the 'natural' expiration of the legal provisions, it is fundamental not to instil the message that women's advancement in their career (and along the hierarchical ladder) is due to an 'external' factor that is independent from the actual acknowledgment of their skills and merit.

However, this proposal has been met with particular resistance from national governments: despite several calls to deliver on it issued by the European Parliament and the EU Presidencies that have succeeded, no progress could be made over these years. To win the political support of Member States requires compromises as well as a strong mobilisation of all potentially concerned stakeholders to come together with concrete suggestions to improve the content of the proposal. In our view, possible avenues for amendment could include identifying other criteria, such as the turnover, to enlarge the scope of the directive as to cover also large companies (hence with a 'systemic' value) that are not listed; introducing stronger links with education and equal access to professions to reduce the risk that some sectors are entirely dominated by one gender or investigating ways to limit recurring to external resources when nominating candidates to the board, such in a way as to encourage internal 'promotions' and facilitate a trickle-down effect. Also, (and intimately linked with the previous suggestion), the issue of increasing the share of women occupying executive roles (more operational ones) could be dealt with.



Conclusions



In a recently published **report**, Eurofound, the European agency responsible for social and employment studies, warned against the probability that the COVID-19 crisis might jeopardise decades of gains achieved in gender equality, as there are tangible risks of women disengaging from the labour market and of developments reinforcing gender roles. As shown by the figures mentioned above, progress in the presence of women at board levels in companies has been particularly strong over the last 10 years. If we want to advance on gender equality in the workplace, ensuring a fair representation of women at decision-making level is a priority that only legislation can secure.

Dealing with this important societal challenge does not mean starting from scratch. A proposal for a directive that goes in this direction exists and has received clear endorsement from European political leadership at the highest level.

In the collective journey towards more sustainability in business practices and models, promoting and securing equal opportunities for all to reach leading roles in the workplace is a goal that can and must be attained.



EUROPEAN MANAGERS

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