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Gender Dimension of Economic Decision-Making: Women on Top Management

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ABSTRACT

Attualmente, le economie nazionali dedicano molta attenzione all'efficienza delle risorse. L'uguaglianza di genere rappresenta un fattore chiave per sbloccare il potenziale economico degli Stati nazionali e per sfruttare la crescita economica. Essa non riguarda solo la protezione dei diritti umani, ma anche l'efficienza economica e lo sviluppo economico. Studi precedenti hanno dimostrato un ruolo cruciale della dimensione di genere per lo sviluppo del business nei settori in cui le risorse umane e la loro efficienza sono importanti. Questo studio analizza i dati sulla rappresentanza femminile nel top management e lo confronta con la performance economica, analizzando, in particolare, le ragioni e i fattori che impediscono o sostengono la promozione delle donne. I risultati dimostrano che altri fattori sociali - che sono parte inseparabile dell'elevato livello di sviluppo umano e costituiscono l'ambiente sociale e culturale del paese - influenzano in modo significativo l'uguaglianza di genere in termini di risultati economici.

Currently, national economies devote a great deal of attention to resource efficiency. In this regard, gender equality represents a key factor for unlocking the economic potential of nation states and for leveraging economic growth. Gender equality is not only about the protection of human rights, it is also about economic efficiency and economic development. Many economists and scientists do not pay any attention to these aspects, but still there are some of them who studied this problem and whose researches fairly proved crucial role of gender dimension for business development in the spheres where human resource and their efficiency do matter. The paper analyses data on women representation on top management and compares it with economic performance. The reasons and factors that impede or support women promotion are revealed and analysed. The paper concludes that other social factors - that are inseparable part of high level of human development level, and constitute social and cultural environment of the country, - are significantly influencing the gender equality in terms of economic performance.
The paper emphasise the importance of relevant legislation to promote women, and by the desk review and data analysis methods comes to the conclusion that special laws if they do not contain some measures of penalties to improve gender balance (at any level) have limited results and just facilitate and promote but do not ensure equality of women and men representation at any level.

Keywords: Global Economy, Gender Equality, Economic Growth

Gender Dimension of Economic Decision-Making: Women on Top Management

"Hiring and promoting talented women is the right thing for society – and it is an economic imperative"
Carlos Ghosn, Chairman, Renault-Nissan Alliance

1 - Introduction

The national economic policy of any country aims at economic growth meanwhile fair distribution of gains stays high on the agenda. At the same time nations have to interact with other countries and thus, to be comprised into the global economy. Contemporary globalization heavily relies on innovations and knowledge, which is generated by human resources. The development of new technologies and innovations diminished the importance of low skilled labour and unprecedentedly increased the value of workers able to perform cognitive tasks. Thus, it is obvious that competitiveness of the country based on ability of national environment to create knowledge and then to exploit it and use in production.

To develop high skilled human resource and hence knowledge, is crucial. In this regard, different countries' firms have different access to human resources, and this creates disparities among competition power of the firms acting in the global markets. Human resources are characterized not only by education, but also by gender dimensions. In this regard, women's economic contributions are vital and the ability to realize the full labour potential of women in the national economy is decisive to meet the challenge of attracting highly qualified employees to compete in international markets. Moreover, just attracting women in labour force solve the problem just partially. Women participation at economic decision-making and women presence at top managerial positions is decisive to fully unlock economic potential and cognitive skills women hold. Unfortunately, few nations and companies recognize the significance and importance of women can bring to the particular firms and in total to the society and nation. However, recent developments in terms of women's right protection and gender equality, give substantial foundation for responding and improving the situation.

2 - Research Methodology

From the very beginning we identify the problem which we are analyzing - women human capital potential – which is not fully exploited. Moreover, women presence at economic decision-making level, at the firms 'managerial level is not sufficient and hence, economic actors do not fully exploit the pool of latent that exits and that can bring higher profit, and accordingly, higher competitiveness.

When we analyze gender problems and present relevant questions, that are directed to reveal the roots of gender discrimination, then the problem becomes obvious. Otherwise, usually it is often regarded that there is no gender discrimination. In our paper we focus on women representation on managerial level for the following reason: generally, when we speak about women equal participation in labour force, normally we encounter just numbers of employed men and women, and nobody notes on women equal participation in decision-making, which is decisive for genuine gender equality in employment. On the other hand, gender-balanced employment policy on managerial level significantly improves firms', and consequently countries' competitiveness as relevant academic researches proves. The paper contains a review of the relationship between women participation at managerial level and economic growth.

The paper analyses data on women representation on top management and compares it with economic performance. The reasons and factors that impede or support women promotion are revealed and analyzed. The paper concludes that other social factors - that are inseparable part of high level of human development level, and constitute social and cultural environment of the country, - are significantly influencing the gender equality in terms of economic performance.

The paper emphasize the importance of relevant legislation to promote women, and by the desk review and data analysis methods comes to the conclusion that special laws if they do not contain some measures of penalties to improve gender balance (at any level) have limited results and just facilitate and promote but do not ensure equality of women and men representation at any level.

3 - Literature Review - Women Lead to Better Economic Results

Modern economic development heavily relies on innovations requiring to create appropriate conditions and/or incentives for business actors to focus on innovative products and services (Sepashvili, 2018). As human capital is key to technology, knowledge and innovations, its gender dimension does matter. Hence, national economies devote a great deal of attention to human resource efficiency. In this regard, gender equality represents a key factor for unlocking the economic potential of nation states and for leveraging economic growth (Sepashvili, 2011). Gender equality leads to "smart Economics" (Buvinic and King, 2007). This supports the economic empowerment of women and creates incentives to increase investment in female human capital – an investment that has returns not only for women but for men, children and nation as well.

Gender equality is not only about the protection of human rights, it is also about economic efficiency and economic development. The World Development Report 2012 (World Bank, 2011) dedicated to Gender Equality and Development, affirmed the positive correlation between: 1) the Index of Economic Participation and Opportunity measuring the female–male ratio in labour market participation, wages, and incomes and; 2) the GDP level per capita and overall level of welfare.

Many economists and scientists do not pay any attention to these aspects, but still there are some of them (Fagenson, 1999; Hofstede, 2001; Ljunggren and Kolvereid, 2011; Mueller and Deusen, 2002) who studied this problem and whose researches fairly proved crucial role of gender dimension for business development in the spheres where human resource and their efficiency do matter. As it was mentioned above, some studies did not found any importance of gender differences at decision making (McDonald, 1997), though some studies proved their significant role. e.g. one study argues (Fagenson, 1999), that male managers are more likely willing to take risks than female managers. Other studies (Glover et al., 2002) discussed the gender influence on ethical character of decision-making. Moreover, female students demonstrated stronger ethical behaviour than their male mates (Borkowski and Ugras, 2003). At the end such attitude leads to long-term and sound competitive advantage both on national and international level. Such differences in cultural and social behaviour impact on firms' strategy and on whole strength of countries national competitiveness (Porter, 1992).

Generally speaking, over the past several decades woman were promoted significantly across the number of countries in terms of access to education, healthcare, involvement in work force, even in decision-making process. Despite this significant progress, that is evidenced by the World Bank Report on Development (World Bank, 2011), women representation at the top managerial positions still lagging back that of men's (Bureau of Labor Statistics, 2007). Moreover, at a surface gender discrimination is not well recognised, only after in-depth analysis it can be reveal the real picture of gender balance and discover the cultural and/or social roots of gender discrimination (Sepashvili, 2012).

World Bank Report on Development (World Bank, 2011) clearly reports the positive correlation between economic development and gender balance, but cultural and historical factors are also strongly influencing women promotion. If we compare several macroeconomic data, the emerging picture will give us different picture of business performance correlation with gender balance (World Economic forum, 2016; World Economic forum, 2017; Human Development Report, 2016; Global Gender Gap, 2016; International Monetary Fund, 2016 and est.). The presented picture is not homogenous as the countries vary by their cultural history and established social patterns of gender roles.

Data reveal quite different picture for former soviet countries (Georgia, Lithuania, Poland and est.), that have impressive history of women promotion including established quotas and genue equal access to education and healthcare alongside with well-developed infrastructure of child and elderly care and household supporting activities. Meanwhile, other developed countries (Japan, Germany) which passed capitalist way of development, reached high economic performance neglecting gender equality in many cases (Grant Thornton International Business Report, 2015; The IMF, 2015).

Studies conclude that women involvement in managerial activities of the firms/corporations impose direct and positive impact on a company's results risk management. First attempt to observe women leadership impact on business activities has been take in late 80th of the last century (Morrison et al., 1987). Almost a decade later the first empirical study (Adler, 1998) showed strong and positive correlation between company result and women involvement in managerial positions, which was generating higher profit. The study examined 500 firms during the 19-year period from 1980 to 1998 and analyzed longitudinal and historical performance data. The study evaluated and considered firms profitability, as well as profit as a share of revenues, assets, stockholders' equity, and a firm's competitiveness which were compared with the median counterparts of the given industry. The results clearly demonstrated that there was positive correlation. Examined 500 firms, which were selected by high number of women on managerial positions outperformed the median counterparts of their industry on all measures that were studied. The survey also revealed that "firms with the very best scores for promoting women were consistently more profitable than those companies whose scores were rated as good" (Adler, 1998:4).

Later, another study (Catalyst, 2004), re-confirm this type of findings. The study examined 353 firms, which were evaluated in terms of gender balance in managerial positions and firms' financial performance. Five diverse sectors were selected: consumer discretionary, consumer staples, financial, industrial, and information technology or telecommunications services and bulk of appropriate and relevant financial and commercial data were collected to track the tendencies. The survey chooses two financial showings: return on equity and total return to shareholders for indicators in order to evaluate the firms/companies. The findings showed a positive correlation between higher women representation in top managerial positions and better financial performance. Companies with the highest representation of women on their top managerial positional teams demonstrated much better financial performance than companies with the lowest representation of women. The return on equity was 35 percent higher, and the total return to shareholders was 34 percent higher (Catalyst, 2004:8).

Later study applied in case of European companies (Desvaux et al., 2007) implemented as Company as part of the global partnership with the Women's Forum for the Economy and Society, confirmed the above-mentioned result. Companies with significant women representation in top managerial team were outperformed companies that failed to have women at the top management of the company. Precisely, these companies overtook their industry in terms of return on equity, operating results, and stock price growth over the period from 2005 to 2007 (Desvaux et al., 2007:15).

Later researchers also (Dezso and Ross, 2011; Welbourne, 2012) showed that a higher percentage of women involvement in senior management positions up to a CEO level was absolutely clearly related to the better company performance. The stocks of companies that went public that had more women on their top management teams performed better in both the short and long run than those with few or no women at the top (Welbourne, 2012: 16).

Moreover, studies proved that firms whose competitive advantages rely on constant innovations and which have women on top positions, improve their performance (Dezso and Ross, 2011). As they argue, higher woman representation in the top managerial positions improves the firms' positions to the extent that actions are directed to innovation creation and introduction. Such kind of relationship comes from the simple situation which is enriched and diversified by women approaches and views. These results were found and rely on panel data, that were collected thought 15 years of approximately 1 500 firms' management style and composition.

There is also evidence that women on high position in the firm significantly support improvement of value chain (McKinsey, 2008). Research showed that there is vivid positive correlation between gender equality at jobs and returns on capital of the firms (Catalyst, 2004).

As World Economic Forum report (2017) states, that numerous empirical studies evidenced that improved gender balance results significant economic benefits, which differ according national characteristics of national economies, national cultural behavior and the challenges they are facing. Remarkable new estimates shows that economic gender equality could add an additional US$250 billion to the GDP of the United Kingdom, US$1,750 billion to the US, US$550 billion to Japan GDPs, US$320 billion to France GDP and US$310 billion to German GDP. Other calculations suggest that China will have US$2.5 trillion GDP increase if Gender balance is achieved and that the Global Economy could increase US$5.3 trillion by 2025 if the gender gap is closed in economic participation by 25% (The world Economic Forum, Global Gender Gap report, 2017: 27).

The problem of equal gender involvement in economic is growing due to the effects of globalization, which deepens the gap between men and women, in terms of access to political-economic power and resources. Gender imbalances and a significant gender segregation of the labour market is a reality in many countries (Sepashvili, 2012). Development policy and facilitation of innovations both dictate policy-makers to unlock cognitive potential women hold especially at the top managerial level to influence company profitability at microeconomic level and welfare of population at the macroeconomic level (Sepashvili, 2016). Corporate Social Responsibility is another important factor for companies to enhance gender balance and create equal opportunities for men and women and gain higher benefits by acting globally (Gazzola et al., 2016).

Thus, there is no doubt that gender balance on top managerial positions boost companies' performance and hence, country's development. The gender equality means equal opportunities and rights for both men and women. This kind of approach advocates gender equality and balanced involvement of men and women in country's political, economic, cultural and social life at macro level and in managerial team at micro level. These are the areas that policy makers have to address. Creation of national competitive model is becoming the most significant factor for strategic economic effectiveness is encouraged by those factors, features and elements, which most positively contribute country's welfare (Sepashvili, 2018). The important message to be considered is that gender equality leads to smarts economics and creates sound base for resource efficiency and innovative development which is crucial for reaching higher competitiveness in global markets.

4 - Women at Top – What Is the Reality?

As Grant Thornton International recent Business Report "Women in Business" (Grant Thornton International Business Report, 2015) argues that in 2015 just 22% of top managerial positions are occupied by women at the global level. And this showing increased just slightly to compare with 19% in 2004. At the same time, approximately one third of business has no woman at all at senior positions. However, the situation has been slightly improved since 2004 as for that period 38% of businesses has no women at all at top management meanwhile this figure has dropped to 32% in 2015.

According Grant Thornton International recent Business Report "Women in Business" (Grant Thornton International Business Report 2015), Russia (40%), Georgia (38%), Poland (37%) and some other (former communist) countries are among leaders with higher women representation on top managerial positions though we cannot name these countries among economic leaders, meanwhile Germany (14%) and Japan (8%) the Big7 member countries are at the bottom of the list of the countries that were studied in the report.

Equal access to education and/or several decades of history of mandatory woman quotas helped former soviet countries (Russia, Georgia, Poland and est. see graph 1.) to maintain higher women representation on top management even after almost three decades following the collapse of the Soviet Union.

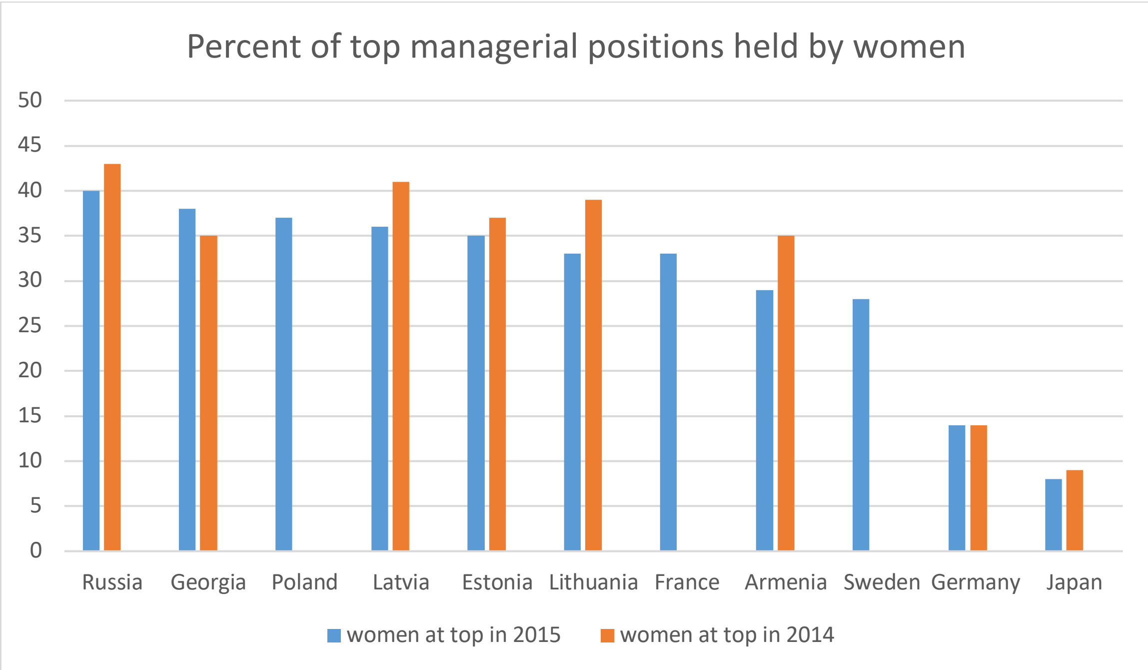

Figure 1- Top Countries by Women Representation on Top Management

(Source: Grant Thornton International Business Report 2015: Women In Business: the Path to Leadership; Grant Thornton International Business Report 2014: Women in Business: from Classrooms to Boardrooms)

As it is showed on charts/tables, while top countries (by women representation on top managerial positions) are closer to the global level of this showing, the bottom countries (Germany, Japan) heavily lagging back having just 14% and 8%, accordingly, in 2015 and slightly more for Japan in 2014 as of 9%, of positions occupied by women from global data consisting 24% in 2014.

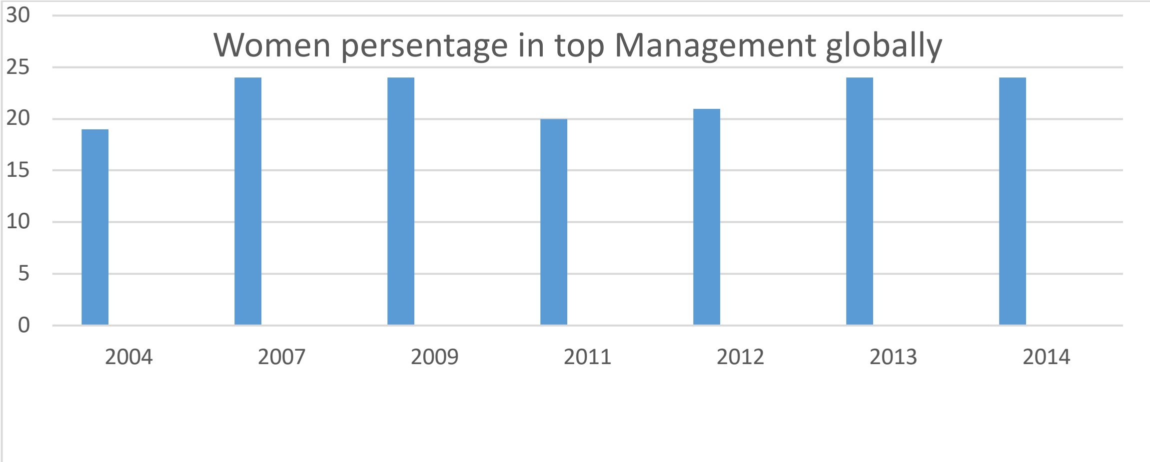

Figure 2 - Women percentage at Top Positions Globally

(Source: Grant Thornton International Business Report 2014: Women in Business: from Classrooms to Boardrooms)

But this trend is totally different from economic performance of these selected countries. If we look at GDP per capita of these countries in 2015 estimated by International Monetary Fund (The IMF, 2015), the picture shows no correlation between these two factors.

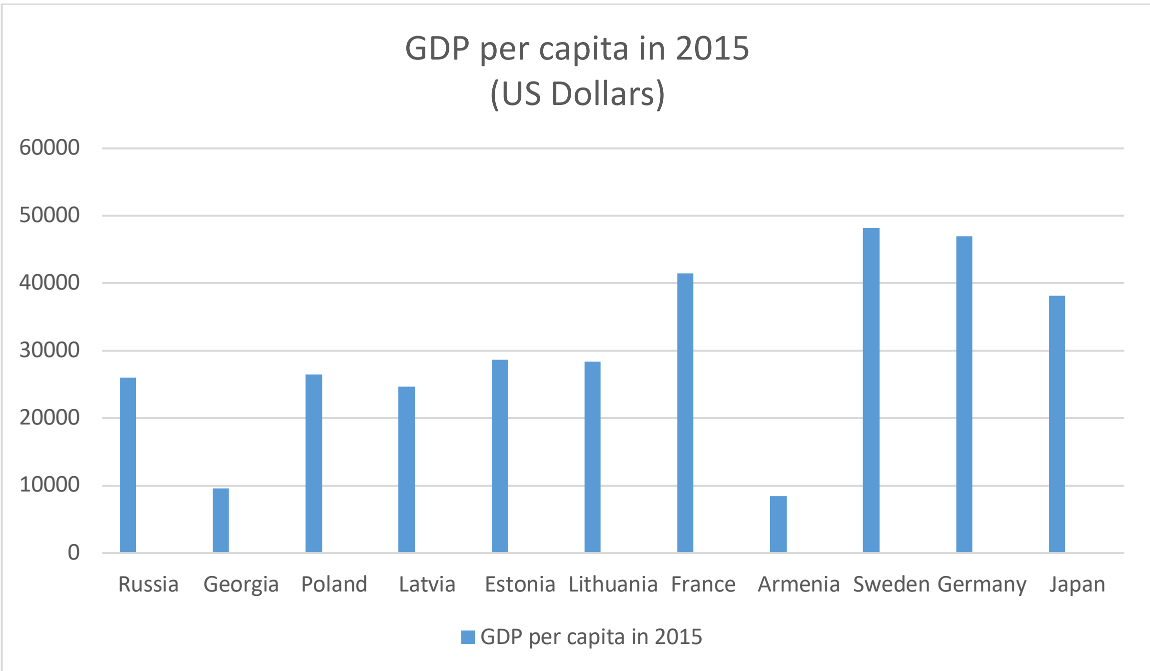

Figure 3 - GDP per capita by selected Countries (based on estimates of projected data By International Monetary Fund)

(Source: World Economic Outlook Database, October 2016, International Monetary Fund. Database updated on 4 October 2016. Accessed on 6 October 2016)

Neither Human development Report nor World Economic Forum report on Gender Inequality Index and Global Gender Gap, accordingly showed clear correlation (see table 3.) with countries development level and women presentation on senior positions and/or women share in political institutions like Parliament.

		Gender Inequality Index Rank 2014	Women % in Labour force	Share of seats in parliament
1	Russia	54	57.1	14.5
2	Georgia	77	56.5	11.3
3	Poland	28	48.9	22.1
4	Lithuania	23	55.8	23.4
5	Estonia	33	56.2	19.8
6	Latvia	36	54.9	18.0
7	France	13	50.7	25.7
8	Armenia	62	54.2	10.7
9	Sweden	6	60.3	43.6
10	Germany	3	53.6	36.9
11	Japan	26	48.8	11.6

Table 1 - Gender Balance by Selected Countries

(Source: Human development index 2015, UNDP, http://hdr.undp.org/en/composite/GII, Gender inequality index 2014)

		Global Gender Gap[1]	Rank 2016	Economic participation	Rank 2016	Education Attainment	Rank 2016	Health and Survival	Rank 2016	Political empowerment	Rank 2016
1	Russia	0.691	75	0.722	41	0.997	45	0.979	40	0.066	129
2	Georgia	0.681	90	0.679	61	0.989	78	0.967	119	0.089	114
3	Poland	0.727	38	0.690	58	1.000	31	0.979	40	0.238	44
4	Lithuania	0.744	25	0.757	25	1.000	1	0.979	40	0.239	43
5	Estonia	0.745	22	0.703	50	0.995	53	0.980	1	0.308	30
6	Latvia	0.755	18	0.785	18	1.000	1	0.980	1	0.255	38
7	France	0.755	17	0.676	54	1.000	1	0.980	1	0.365	19
8	Armenia	0.669	102	0.671	69	1.000	27	0.939	143	0.068	125
9	Sweden	0.815	4	0.802	11	0.999	36	0.974	69	0.486	6
10	Germany	0.766	13	0.691	57	0.966	100	0.979	54	0.428	10
11	Japan	0.660	111	0.569	118	0.990	76	0.979	40	0.103	103

Table 2 – Global Gender Equality Rank by Selected Countries in 2016

(Source: World Economic Forum, Global Gender Gap 2016 http://reports.weforum.org/global-gender-gap-report-2016/results-and-analysis/)

[1] The highest possible score is 1 (equality) and the lowest possible score is 0 (inequality)

Worth to mention that, Gender Inequality Index measured by Human Development Report takes into account three main factors of human development. 1. Women reproductive health; 2. Women empowerment, measured by women participation in parliament and women access to education and 3. Economic status, estimated by women participation in labour force. Meanwhile the Global Gender Gap Index measures gaps between male-/female data rather than levels and quality. The Global Gender Gap Index points on the gaps between men and women according four main factors: 1. Economic Participation and Opportunity; 2. Educational Attainment; 3. Health and Survival and 4. Political Empowerment, which are approximately the same as in case of Human Development measured Gender Inequality index. It focuses on results and does not deal with input variables. The index estimates difference between men and women access to resources and opportunities and does not measure the volume, content or values of resources or potential which is available in the country. One more interesting feature of this index is the fact that it shows the gap and does not emphasize women empowerment issues. Thus, the Global Gender Index indicates the points how opportunities and access for both genders differ/equal.

Despite the difference in measurement methodology and gained results, the trend of gender equality of those top countries which are distinguished by high women representation in top business management, significantly differ of countries which showed the worst results (Germany and Japan). Access to education are approximately equal in majority of selected countries, even totally equal in several countries like Lithuania, Latvia and France, while in top three countries (Russia, Georgia and Poland) this showing is not so hopeful, ranking as 41, 61 and 58, accordingly. As for Germany and Japan, the ranking of education attainment is 100 and 76, reflecting the gap between women's and men's current access to education and countries' ability to educate women and men in equal numbers, as well as the ratio of the women literacy rate to the men literacy rate.

The main conclusion to be drown is obvious: just good economic performance in itself is not able to guarantee gender balance. Other factors such as social and cultural institutions and orders influence gender equality, which is gaining greater importance against growing globalization and increasing importance of human resources which defines the nature of contemporary development of global economy profoundly depending on innovations and knowledge generation.

5 - Factors Impeding Gender Equality at Management

The main factors that impede women promotion at higher hierarchal career path are as followings: maternity leaves, parenthood, child and elderly care activities in the family, double burden on women performing productive and reproductive work, meaning to perform lion's share of domestic work and hence having limited and less time for education and/or qualification improving as well as gender biased treatment in the society creating glass ceiling and structural discrimination. One can argue this tendency is caused by the low qualification of women in comparison with that of men's. This statement is partially false and partially true. False, because involvement of men and women in educational system is nearly equal for women over the globe. And it is true because due to the double burden resulted by the productive and household functions of women, they (women) have less time to raise their qualification after they finish study (Sepashvili, 2008).

In 1995 the Glass Ceiling Commission report (US Department of Labor, 1995) named four set of factors preventing women from achieving senior and executive managerial posts. These categories were as follow:

- Societal;
- Governmental;
- Internal business;
- and Business Structural Barriers.

These four set of barriers continue even nowadays to be actual. These are main factors that's create significant and difficult obstacles to women to move upward on their career path and reach senior managerial posts. Worth to mention that the sharpness and meaning of these four set of barriers vary by countries and relies on cultural and historical heritage, national mentality, government policy, gender role perception and so on. As it was already mentioned above, Soviet gender equality policy helped number of countries (Russia, Georgia, Poland, Lithuania, Estonia, Latvia, Armenia and France which is astonishing exception from former soviet countries) to maintain higher women presence at senior pots. And all these aspects affect the operation of the National Diamond Determinants (Porter, 1992): 1. Factor conditions; 2. Demand condition; 3. Related and supportive industries; and 4. Firm's Strategy and structure; and competition. In this regard, different countries' firms have different access to resources, and this creates disparities in competition on the world markets for national firms and hence for national income and GDP.

Apart from pure economic factors and judgment, there are plenty of philosophical approaches and perception that prevent women promotion. Women often have nobody who could promote and advertise their skills and ability to business decision-makers of firms/corporations to climb on career stairs. A study (Hewlett et al., 2010) identifies, that women frequently do not estimate adequately the role of mentor in career up-ward mobility or fail to establish such kind of relationship as it is regarded as inappropriate to reluctance by both women and senior men to establish a sponsorship relationship because it can often be misconstrued as sexual interest.

Gender biased approaches and attitudes impose strong stereotypes in society determining the ways and options for women leaders how to act and regulate their behavior. As it is argues (Carli, 2006) women are judge for too much or too little competitiveness assertiveness, and independence; For example, women's typical communication style is more warm, less directed, and more mitigated than men's. The gender aspects, which are defined by culture and mentality of the given country, together with national originality of the country effect the positions of the country on the world markets, the methods of international competition and creation of sources of national advantages. As is was mentioned above, many economists and scientists studied these aspects, (Fagenson, 1999; Hofsted,e 2001; Mueller, 2002; Ljunggren, 2011; Sepashvili, 2011) and fairly proved crucial role of gender dimension for business development in the spheres where human resource and their efficiency do matter. This aspect is especially important when business goes beyond the national country borders and esquires international character on global markets and involves in severe competition for gaining economic space of influence.

Hofstede (Hofstede 2001) notes four dimensions of national culture: 1. Individualism and collectivism; 2. Masculinity and feminity; 3. uncertainty and self-confidence 4. Issues of power. In masculine societies the main values are success, money, independent decision-making, earnings, recognition, and advancement meanwhile feminine societies value caring for each other, quality of life, cooperation, friendly atmosphere, employment security, group decision-making.

This style of communication significantly affect how women-leaders are met on senior posts. However, if a woman exhibits too much/less assertiveness, which is contradictory to the cultural stereotype, her influence and leadership may be lowered. Women's abilities are also judged differently than men's. As it is argued (Carli, 2006:77) "People judge women's abilities more harshly than men, holding women to a higher standard of competence and evaluating female managers and leaders more critically than their male counterparts."

6 - What Can be Done to Achieve Higher Women Representation at Top Positions?

As we have already seen, despite the proper level of equality in terms of access to education and health care systems, women are not equally represented neither political nor economic decision making process. Here we focus on economic aspects, though gender equality in political decision making process is as important as economic one. This dilemma can be solved by means of government regulations such as mandatory quotas, setting financial incentives for women promotion, transparent system of recruitment for public servants or/and private sector, and est. for example, in more than 50 countries women quotas are enforced by law, meanwhile in more than 30 countries political parties voluntarily impose quotas for women in their election list. In 2013 the European Parliament voted for law insuring mandatory quotas for women. The purpose was to considerably increase women participation rate on corporate boards throughout the EU by means of setting an objective of a 40% presence of the underrepresented sex among the non-executive directors of companies listed on stock exchanges and by demanding companies to establish neutral and explicit criteria for selection for this kind of top-managers in order to achieve this objective. The main goal was to support gender equality in economic decision-making and to completely activate women potential. The proposal significantly ease the barriers that women face.

Experience showed that mandatory and legally bind measures significantly affect the situation. Some countries have made progress after they introduced national quotas, e. g. Spain has increase women at top management from 14% in 2014 to 26% in 2015, France accordingly, from 21% in 2004 to 33% in 2015 and Sweden from 18% to 28%.

First country was Norway that passed a law on mandatory quota requirements in 2006. According to the law, penalties would be implied in case if companies failed to meet at least 40% representation on boards of each sex of all public limited companies. As a result, the women representation on the boards of the companies in Norway has sharply increased. In Iceland, women empowerment legislation was adopted in 2010 for companies with more than 50 employees and for publicly owned companies and publicly limited companies to ensure at least 40% of each sex representation in boards after 3 years. In France, legislation was adopted in 2011 to ensure more women at decision-making of the companies. The new law gave big companies (with more than 500 employees or with revenues over 50 million euros) six years to achieve 40% of women representation of boardroom positions.

In 2007, a law on gender equality on companies' board went into force in Spain for big companies (with more than 250 employees) giving companies eight years to reach at least 40% representation of any sex. Despite the fact that the law does not envisages penalty, some reward mechanism are still in place: more gender balanced companies have advantage to obtain the equality label, public subsidies or state administration contracts. In 2011 the Netherland, Italy and Belgium adopted the Laws requiring one third of women representation on boards for big companies, as well as envisaging different form of control/monitoring/penalties.

However, data demonstrates that special laws if they do not contain some measures of penalties to improve gender balance (at any level) have limited results and just facilitate and promote but do not ensure equality of women and men representation.

European Institute for Gender Equality survey showed that (European Commission 2018), women participation rate is just 25,3% within board members in the largest publicly listed companies from EU in 2017. France is the leader by 43.4 % of women participation rate at board level. But this result was reached, as it was already mentioned, after France introduced legislation to ensure quota in 2011 demanding companies to reach at least 40 % of each gender at board level by January 2017. Other countries had at least 25 % women on boards (Sweden, Estonia, Italy, Finland, Germany, Belgium, Denmark, Netherlands, Latvia and the UK). Progress is vivid, but much more still needs to be done to achieve further and sustainable progress.

Policy measures are essential to promote gender balance in decision-making. EU Council Recommendation 96/694/EC directly calls the Member States to adopt a wide and comprehensive, integrated strategy to encourage the balance between women and men in decision-making, as well as to boost the business/private sector to increase the number of women at all levels of decision-making, in particular through the adoption of special programs and strategies, like equality plans and/or positive measure programmes. Worth to mention that the EU Commission has consequently supported the Member States by means of special financial programmes for achieving gender equality. Different financial support programs like European Social Fund, European Regional Development Fund, the PROGRESS programme, DAPHNE programme and est. have gender mainstream as a core element for all goals and targets. The European Commission's next Multi-annual Financial Framework (MFF) for the 2014-2020, which is the Commission's package of legislative proposals and documents for the 2014-2020 European Union budget, foresees equality as a key stream for achieving better results of development.

7 - Conclusion

There is no doubt that gender balance on top managerial positions boost companies' performance and hence, country's development. The gender equality means equal opportunities and rights for both men and women. This kind of approach advocates gender equality and balanced involvement of men and women in country's political, economic, cultural and social life at macro level and in managerial team at micro level. These are the areas that policy makers have to address. The important message to be considered is that gender equality leads to smarts economics and creates sound base for resource efficiency and innovative development which is crucial for reaching higher competitiveness in global markets.

Countries vary by measures and policies they are taking to achieve more gender balance in different spheres, like education, healthcare, social protection, and culture, political and economic decision-making. While education, healthcare and social protection systems seems to overcome gender discrimination and gap between men and women disappeared or significantly narrowed, political and economic decision-making still remains to be the most delicate and "hard-to-change" spheres where gender balance seems to be far and yet difficult to achieve through soft measures like various initiatives to raise awareness and encourage the private sector to improve women's representation at top managerial positions, special media and social campaigns, monitoring, mentoring schemes, networks, voluntary charters and est.

However, the most positive results and fruitful strategy to achieve gender balanced at corporate boards are strategies establishing quota legislation with severe penalties, as some (Norway, France) experience shows. Promisingly, more and more corporates acknowledge the benefits of women hold as business leaders, which is translated into crucial asset for their advancement and competitiveness in global markets. Hopefully, more and more companies will changes their organizational culture to accommodate the experience and leadership styles of both women and men for rising diversity of decisions so crucial for demand driven economy where consumers comprise equally by women and men.

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