

# Women in Management: A Challenge for the 21<sup>st</sup> Century in Brazil and China

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**Abstract** Around the world the growing presence of women in the labour market makes it important to discuss the business impact of gender diversity. The increasing of participation of women in the workplace is remarkable although one may not overlook the fact that, in spite of the reaching of lower and middle levels of management positions, the women seldom reach top management positions. With the rapid pace of advancement and the changing world of the twenty-first century this paper discusses some of the aspects of the presence of women in management, highlighting the Brazilian and the Chinese situations.

**Key words** women, management, gender, Brazil and China

## 1 Introduction

A study of gender within business administration is important because until recently, gender inequality in companies has been ignored and they do not explore, realize and recognize the potential of women professionals as a key factor in leadership levels, possibly for lack of knowledge or for cultural factors. The relevance of the subject is due to the need to understand gender diversity and its relations in business, the feminine difficulties to be faced at work environment and how to break through boundaries for the women's advancement, among others. The theme is also relevant because women have become a great force in many countries such as Brazil and China's social development, making contributions to the economic development.

Women seldom attain executive level positions. Fortune 500 list signalizes that, in 2007, just 10 (out of 500) companies were led by women. Feminine labour force is often believed to cost more than the masculine, due to the expenses of maternity leave and child care. However, a study by Catalyst points out a strong correlation between corporate financial performance and gender diversity. "Fortune 500 companies with the highest representation of women board directors attained significantly higher financial performance, on average, than those with the lowest representation of women board directors". In addition, Catalyst points out, on average, notably stronger-than-average performance at companies with three or more women board directors (Catalyst 2008).

Thus, it is important to acknowledge that gender may play an important part in aspects of the business performance process. Throughout the world women in management are increasing. However, women are still not reaching top management levels and face a variety of pressures, both internal and external, to the organization in which they work (Limerick; Heywood 1993).

Traditionally women were seen as intellectually and physically inferior to men and early writers asserted that these perceptions have created barriers to women's career development and led to discrimination (Betz; Fitzgerald 1987). It is not difficult for women to gain employment at the lower levels of organizations, because the criteria for selection and promotion are more objective, but it is still difficult for them to reach upper middle and senior management positions, where the criteria are more subjective. To Povall (1990) women's advance into what have been traditionally men's jobs is still very small. The distribution of men's and women's jobs in the 1980s demonstrates a concentration of women in low-paid, low-opportunity jobs despite women having longer working lives and being better educated.

Moreover, Powell (1999: 334) says "women's presence in top management positions violates the societal norm of men's higher status and superiority to a greater extent than women's presence in lower-level management positions".

Worldwide, a major barrier to women's progress in management continues to be the gender stereotyping of the managerial position and surveys of women in management positions have indicated a notion of masculine managerial model. Yet, women's abilities and potentials are not developed and optimized enough to enable them for a full contribution in companies' performances.

The strength of the "think manager – think male" still remain and males continue seeing women as

less qualified than men for managerial positions. Internationally, the view of women as less likely than men to possess requisite management characteristics is also a common belief among male management students in some countries, including China (Schein 2007). There is still job segregation based on gender—divided in men's jobs and women's jobs.

In order to understand this particular kind of segregation, “glass ceiling” is a term describing discrimination that women and minorities often experience when trying to advance into an organization's senior management levels. Normally, it is a subtle, informal and unacknowledged barrier (Davidson; Cary 1992). The results of a survey conducted in China indicate that there is still a significant “glass ceiling” effect to accepting women as they climb up the management hierarchy. Women were less likely to prefer to work for a woman than for male. Women were described as more incompetent, slower, weaker, more a follower-than-a-leader, more lenient, more democratic, less active, and more friendly than male managers. Women were significantly more in agreement with the idea of being both a professional and a wife (Frank 2001).

## **2 Workforce Diversity**

The workplace is changing and today's corporations also face dimensions of diversity. Cultural diversity is welcome and valuable in companies because it helps them to compete in the global market. To Daft (2000) workforce diversity means the hiring and inclusion of people with different human qualities or who belong to various cultural groups. From the perspective of individuals, diversity means including people from themselves along dimensions such as age, ethnicity, gender, or race.

For many companies, diversity policies increase competitiveness, as they enable the firms to profit from all the potential resulting from the positive differences among their employees and the access to management and direction positions is a key factor in terms of internal diversity.

The business management theories provide an understanding on the strategic role of Human Resources Management (HRM) which refers to activities to attract, develop, and maintain an effective workforce within an organization. Over the last years the HRM has been a vital player in corporate strategy. Nowadays, employees are viewed as assets and give the company competitive advantages. Among other tasks, the HRM has to act in accordance with the laws to ensure for example equal employment opportunities, no sexual discrimination in employment, adopting the principle of equal pay for equal work for both sexes, and guaranteeing special labour protection for female employees. The HR's participation can facilitate the change in the gender profile of the functions believed to be masculine or feminine.

The corporate culture it is also important to understand this context. Historically it has been characterized as inherently patriarchal, “bureaucratic social order grounded in norms conventionally ascribe to men” (Maier 1999) and has also had an impact on the career development of women. A study by the International Labour Organization (ILO 2008) shows that globally, the promotion of women is not even seen as beneficial by the leaders of many organizations.

In this way, the Human Resources Management plays an important role. Different human resources management strategies are linked to the role, prestige and attitudes of the HR function, to the attitude of the organization's CEO towards women's issues, and to the institutionalization of the HRM strategy (Cattaneo; Reavley; Templer 1994).

## **3 Two Experiences: Brazil and China**

Women's status is a key marker for social progress. Maintaining equality between men and women is basic to increase the number of women working in companies. Maintaining and increasing efforts to ensure that women advance to positions of power and influence in organizations it is of great importance.

Brazil experienced demographic, cultural and social changes that had great impact on women's work in the last decades of the twentieth century. When it comes to education level, Santos (2006) points out a trend for Brazilian women to increase their participation in a more qualified way. In 1996 women accounted for 44 percent of people with Masters Degree and in 2003 the number increased to 47 percent. At the same time their Doctors Degree also increased from 34 percent in 1996 to 38 percent in 2003. This trend is perceived by Bruschini and Puppini (2004) as enabling women to access new job opportunities.

Concerning the Brazilian women's presence in the labour market, it is important to highlight the increase of female participation among workers - from 39.6% in 1993 to 43.5% in 2005. Bruschini (2007) identified this trend taking into account that the female economically active population, which

includes those who are working and those looking for work, increased from 28 million to 41.7 million workers in the mentioned period. Furthermore, in 1993, 47 out of every 100 women worked. In 2005, in turn, of every 100 women, 53 worked.

According to historical trend, as well as data from several other studies, women are more likely to reach higher positions in their careers within the public administration, compared to the private sector. In the year 2000 in Brazil, about 9,977 (23.6%) out of 42,276 management positions were occupied by women (Bruschini; Puppini 2004).

Bruschini (2007) shows that female workers concentrate in the service sector in 3 sub-sectors: domestic services (16.9%), education, health and social services (16.1%) and other collective, social and personal services (5.3%). On the other hand, male workers are distributed more homogeneously in all sectors, with a greater presence in the agriculture and industry: 24% and 16.4%, respectively. Trade is the sector of activity in which the presence of employees by sex is more balanced: 19% of men and 16% of women.

Yet according to the same source, in 2004 the female presence accounted for 31 percent of management positions of companies in the formal sector. Women prevail in traditional female sectors (from 46% to 53% in public administration, education, health and social services). In other sectors, women occupy 10% to 15% of the management positions.

Concerning the Chinese situation, one might say that China is confronted with new issues in its efforts to promote women's development and gender equality. Currently, women account for 45 percent of the national work force. According to All-China Women's Federation-ACWF (2006), in 2001 there were 730.25 million employees in the country. Women accounted for 37.4 percent in enterprises, 44.1 percent in institutions, 24.8 percent in state organs, party and government departments and NGOs, 42.7 percent in service trades, and 57.5 percent in the sectors of public health, physical culture and social welfare service. There are more than 15 million female leaders in China today, or 38 percent of all the leaders. The same federation (2007a) shows that women's ability to be involved in the management of state and social affairs has been strengthened, and their ability in handling political affairs has gradually enhanced. Also, China's Constitution stipulates that men and women have equal political rights and the Law on the Protection of Rights and Interests of Women has made further stipulations to ensure that women can participate in decision making and management.

The Program for the Development of Chinese Women (2001-2010) is very important for the women's situation and has some objectives such as: enhancing women's participation in the administration and management of and decision-making on state and social affairs; making efforts to ensure that the percentage of women in the management of the professions and sectors where women predominate is in proportion to their percentage therein; improving the mechanism of equal competition; seeking to create equal competition opportunities for women to participate in decision-making and management; giving priority to women from among the candidates who have the same qualifications, in the selection of cadres; fostering and identifying women for senior management positions and encouraging state-owned enterprises to take active action to explore new forms of women's democratic participation at the levels of decision-making and management.

#### **4 Results**

Hausmann et alii. (2007) show that in a gender gap list by the World Economic Forum, of 128 countries, Brazil and China are ranked on the 74<sup>th</sup> and 73<sup>rd</sup> places, respectively. That may suggest they are in a very similar position when it comes to gender relations. However, if we look carefully at the subindexes, one might say that they are in some aspects very different. The subindex ranking for wage equality for similar work is 105 for Brazil and 49 for China. When it comes to professional and technical workers, Brazil ranks on the 1<sup>st</sup> place (with 53 percent of females) and China on the 64<sup>th</sup> (with 45 percent of females). In Brazil, 34 percent of legislators, senior officials, and managers are female, what puts the country on the 21<sup>st</sup> position on the list. China, on the other hand, ranks on 93<sup>rd</sup>, as only 12 percent are women.

**Table 1 Comparison Between Brazil and China – Ranking of Gender Gap Index and Subindexes (Out of 128 Countries)**

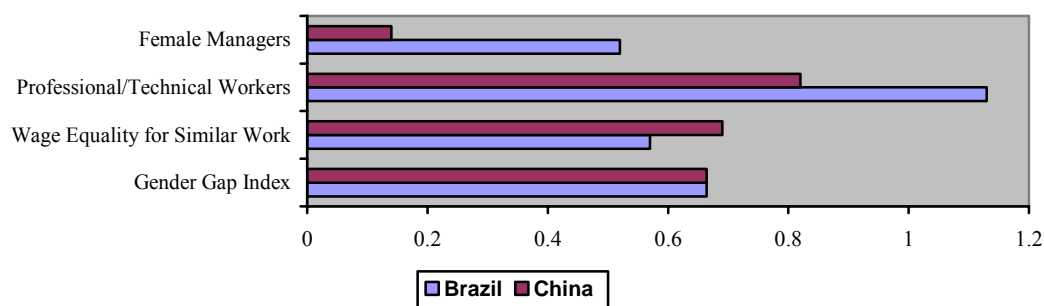
	Brazil	China
Gender Gap Index	74 <sup>th</sup>	73 <sup>rd</sup>
Wage Equality for Similar Work	105 <sup>th</sup>	49 <sup>th</sup>
Professional and Technical Workers	1 <sup>st</sup>	64 <sup>th</sup>
Female Legislator, Senior Officials and Managers	21 <sup>st</sup>	93 <sup>rd</sup>

Source: Hausmann et alii. (2007)

**Table 2 Comparison Between Brazil and China – Gender Gap Index and Subindexes Female-to-Male Ratio (0.00 = Inequality and 1.00 = Equality)**

	Brazil	China
Gender Gap Index	0.664	0.664
Wage Equality for Similar Work	0.57	0.69
Professional and Technical Workers	1.13	0.82
Female Legislator, Senior Officials and Managers	0.52	0.14

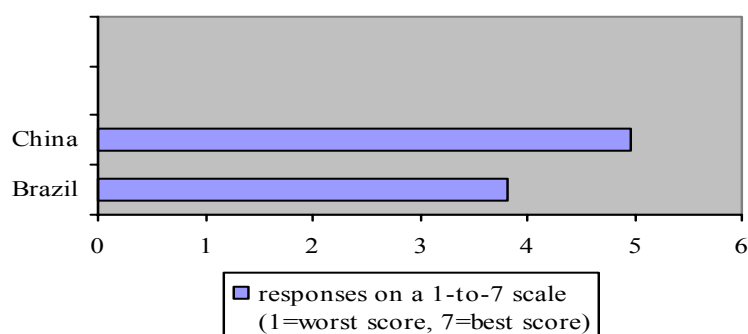
Source: Hausmann et alii. (2007)



**Figure 1 Comparison Between Brazil and China – Gender Gap Subindexes and Gender Gap Index Female-to-Male Ratio (0.00 = Inequality and 1.00 = Equality)**

Source: Hausmann et alii. (2007)

Moreover, in a scale from 1 (worst score) to 7 (best score) the ability of Brazilian women to rise to positions of enterprise leadership is 3.82, and the one of their Chinese counterparts is 4.97.



**Figure 2 Comparison Between Brazil and China - Ability for women to rise to positions of enterprise leadership**

Source: Hausmann et alii. (2007)

## 5 Conclusion

Although women make up 51 percent of the world's population and perform two-thirds of all labour, yet, women own only about one percent of the world's assets, and earn 10% of the world's income according to the Global Fund for Women (2008).

Some authors signal a trend for the 21<sup>st</sup> century from a male oriented hard power situation to female oriented soft power situation. Capra (1982), for example, states that the western society is the model *yang* in crisis. This competitive society, dominated by man, rational, for its unbalance, is about to give rise to a society more cooperative, intuitive, peaceful, with more feminine wisdom - *yin*.

It seems that this new century is, in its beginning, inviting us to face some challenges and “women in management” is one of them. Nevertheless, authors claim that hiring women, whether in leadership posts or not, is no longer a matter of being politically correct, but a matter of doing what is best for the business. And the companies who realize that before can have significant advantages.

In some sectors, the women have, even discretely, managed to break the present glass ceiling. Yet, they have to overcome many discriminatory obstacles when seeking for higher positions in a company and it seems that the Catalyst’s findings are far to be perceived either in China or Brazil. However, it can be a matter of time, knowledge, and social-cultural changings before women are seen as competent as their male counterparts. If competition is the name of the game and studies have shown that there is a link between corporate financial performance and gender diversity, the companies who perceive and value diversity in corporate world sooner, will have a strategic and competitive differential.

Another point to consider would be that women from different parts of the world have similarities and differences and their presence in the labour market, too. The important is to understand what their needs and expectations are. On the one hand, women are called to work because of responsibilities that they did not have before. On the other hand, women should not have to work because this is what they are supposed to do – rather, if they decide to, or need to, may the conditions be equal to their male counterparts’, and so the opportunity to show their competences. Therefore, the process for the women to reach high management positions should be objective, not subjective.

Studies have shown that women, in general, understand gender as a neutral issue concerning success. However, they need to work hard to be accepted and perhaps tend to see the obstacles faced in the workplace as an exception, as something that happens just to them (which is not necessarily true). This situation is contradictory because women do not know clearly how important gender is in the business performance process.

The status quo has been there for years and the ‘male way’ is the most known around business and companies’ environment. Capra (1982) does not defend that the *yin* (the feminine) is better than the *yang* (the masculine) *per se*. The proposed idea is that the unbalance between them is harmful and this can lead to a crisis in the dominant model. Changes have certainly been made in the last decades but it is still necessary for women to realize what gender can represent in the workplace – so that they can achieve equal opportunities, participation in decision making and career advancement.

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