Chapter 14

Glass ceilings still unbroken

Key findings

- Gender balance at the top of listed companies is still a distant goal. In 2016, women sat on 20% of board seats OECD-wide, up slightly from 16.8% in 2013. On average, 4.8% of CEOs were women in 2016, double the 2.4% in 2013.
- In 2016, women held 28.7% of seats in lower or single houses parliament, a marginal increase over 2013's 27.5%. As for appointments to the executive, no OECD country has passed legislation setting quotas. Men occupy slightly over 70% of ministerial positions and women 29.3%, on average. In the judiciary, gender parity has been reached in professional judicial appointments, with women accounting for 54.7% of judges OECD-wide. Yet, women's representation, while high in lower courts, progressively falls in the higher courts.
- Countries have adopted various actions to promote gender balance on boards and in senior management. As of 2016, nine OECD countries had introduced gender quotas for the boards of publicly listed and/or state-owned enterprises. Other countries have taken an approach that is not legally binding, involving voluntary targets, corporate governance codes and/or disclosure rules.
- The lack of structural and institutional backing for women throughout their careers is identified as a serious obstacle to their reaching senior positions. Other obstacles include social and cultural norms, inadequate buy-in or support from leaders, assumptions about women's behaviour that serve them ill, underdeveloped professional networks, as well as lack of accountability and proper monitoring systems.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Progress in women's representation at the top between 2013 and 2016

Bridging the gender divide in public and corporate life is a matter of fairness as well as effective governance. However, more women in business and politics do not mean more women in leadership positions. Overall, the slow pace of change reveals persistent, complex challenges not yet resolved. Improvement differs by country, sector and institution and is often driven by affirmative action specifically designed to narrow existing gender gaps.

At the corporate level, there has been but a modest increase in the female share of seats on boards of listed companies, and gender balance in the top echelons is still a distant goal. Uneven improvement is attributable to different factors, such as the absence of policy in some OECD countries, obstacles to adopting and enforcing policies where they exist, and entrenched social norms at the company level.

As for the public sector, political party culture and voting practices affect women's access to policy making and positions of leadership. Indeed, culture and practices across state institutions – and especially in recruitment, appointment and promotion – determine how many women make it to the top (OECD, 2015a).

In 2016, women sat on 20% of seats on the boards of publicly listed companies (PLCs) OECD-wide – up slightly from 16.8% in 2013. At the same time, country responses to the OECD's Gender Equality Questionnaire (GEQ) suggest that, in 2016, 4.8% of chief executive officers (CEOs) were women, double 2013's 2.4%. Australia, Belgium, France, Italy, Poland and Sweden saw the greatest progress in gender-balanced boardrooms, and Hungary, Ireland, Luxembourg and Australia in the rise of female CEOs. And in 80% of OECD countries, the share of women sitting on PLC boards of directors rose between 2013 and 2016. Progress, however, has been modest rather than substantial: only Belgium, Italy and Sweden recorded increases greater than or equal to 10 percentage points. Belgium and Italy have quotas for listed companies to achieve 33% women on boards; this could be one factor driving the increase. Sweden, on the other hand, has a voluntary rule in their Corporate Governance Code "an equal distribution among the sexes shall be the goal".

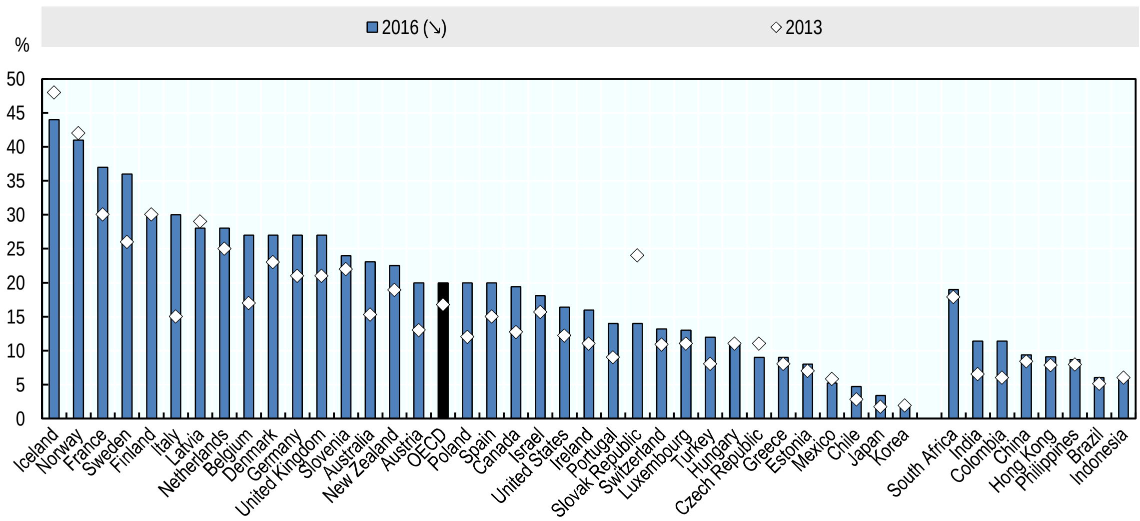
As for gender balance in legislative bodies, women have yet to reach parity with men in any OECD country. Women occupied an average of 20.6% of seats in lower or single houses of parliament in 2002, 27.5% in 2013, and 28.7% in 2016. While women's representation in lower or single houses of legislature has grown in some OECD countries – such as the United Kingdom, Mexico, Portugal and Spain – it has undergone setbacks in countries like Finland, Greece and Denmark (IPU, 2016).

When it comes to the proportion of women serving as presiding officers in parliaments, the OECD-wide gender gap is even greater. Of the 54 such positions in OECD legislatures, women hold only 10 – a share of just 18.5% and only slightly above the worldwide average of 17.9% on 1st January 2016. The Netherlands is the only OECD country with women presiding in both upper and lower houses. Compared to 2010, when there were 8 female presiding officers out of 54, only two extra appointments have been made in the OECD (IPU, 2016).

With regard to the appointment of women to ministerial positions, there was an 8% increase between 2005 and 2015 in OECD countries. Numbers of female ministers, however, vary significantly from one year to another. They are determined solely by political cycles and cabinet reshuffles (OECD, 2015b), as no OECD country has adopted legislated gender quotas in executive positions. Slightly over 70% of ministers are men and 29.3% women OECD-wide. Sweden is a strong performer in this regard as its cabinets have been gender-balanced since 1994.

Figure 14.1. Women's representation on company boards is growing slowly

Female share of seats on boards of directors in publicly listed companies, 2013 and 2016 or latest available year[a]



Note: For EU countries, Iceland, Norway and Turkey, data refer to the proportion of seats held by women on the boards of the 50 biggest companies on those countries' primary blue-chip index and registered in those countries. "Board members" refers to all members of the highest decision-making body in a company – e.g. the board of directors for a company in a unitary system or the supervisory board for companies in two-tier systems. For countries with data based on Lee et al. (2015), data refer to the proportion of seats held by women on boards of companies covered by the MSCI's "global director reference universe", a sample of 4 218 global companies covering all companies of the MSCI ACWI, World, EAFE and Emerging Markets indices – plus an additional 1 700 large and mid-cap developed market companies, 900 of which are either incorporated or primarily traded in the United States.

a) For Australia, Canada, Chile, Israel, Japan, Korea, Mexico, New Zealand, Switzerland, the United States, Brazil, China, Colombia, India, Indonesia and South Africa, data for 2010, 2013 and 2016 refer to Q4 2010, Q1 2013 and Q3 2015, respectively. For EU countries, Iceland, Norway and Turkey, data for 2010, 2013 and 2016 refer to H2 2010, H2 2013 and H1 2016, respectively.

Source: For EU countries, Iceland, Norway and Turkey, EC Database on Women and Men in Decision Making, http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm; for all other countries, Lee et al. (2015).

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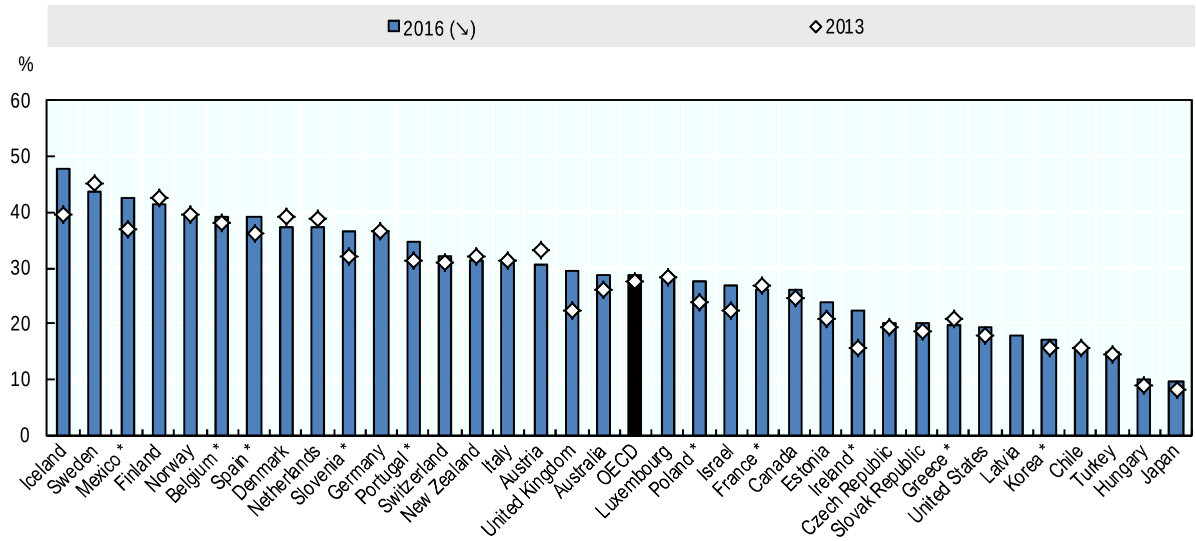
Gender gaps in the civil service persist. Between 2010 and 2015 there was no variation in the share of women employees in central government in OECD countries, which remained stable at about 52-53% (OECD, 2011; OECD 2017a). The share of women in professional positions in the civil service of 26 countries grew a little to 54.7% in 2015 from the 2010 level of 54.1% in 19 countries (OECD, 2011; OECD 2017a). However, women remain under-represented in the middle and senior tiers of management. The female share of employment in central government management positions has increased in recent years, but still points to a persistently leaky pipeline (Figure 14.3). Out of the overall 52.4% share of women employees, women make up only:

- 42.4% of middle management positions in 28 countries – up from 39.7% in 20 countries in 2010;
- 32.6% of senior management positions in 29 countries – up from 28.6% in 20 countries in 2010.

Figure 14.2. Women remain under-represented in parliaments and progress is slow in many OECD countries

Female share (%) of seats in parliaments, lower-house or single-chamber, 2013 and 2016



Note: Data for 2013 refer to 1st December 2013, and for 2016 to 1st December 2016. Countries marked with an asterisk (*) had legislated quotas (i.e. quotas implemented via the legislative process) in place in 2016.

Source: Inter-Parliamentary Union Women in National Parliaments Database, http://www.ipu.org/wmn-e/world.htm; Inter-parliamentary Union (IPU) PARLINE database, http://www.ipu.org/parline-e/parlinesearch.asp; Quota Project Database, http://www.quotaproject.org/.

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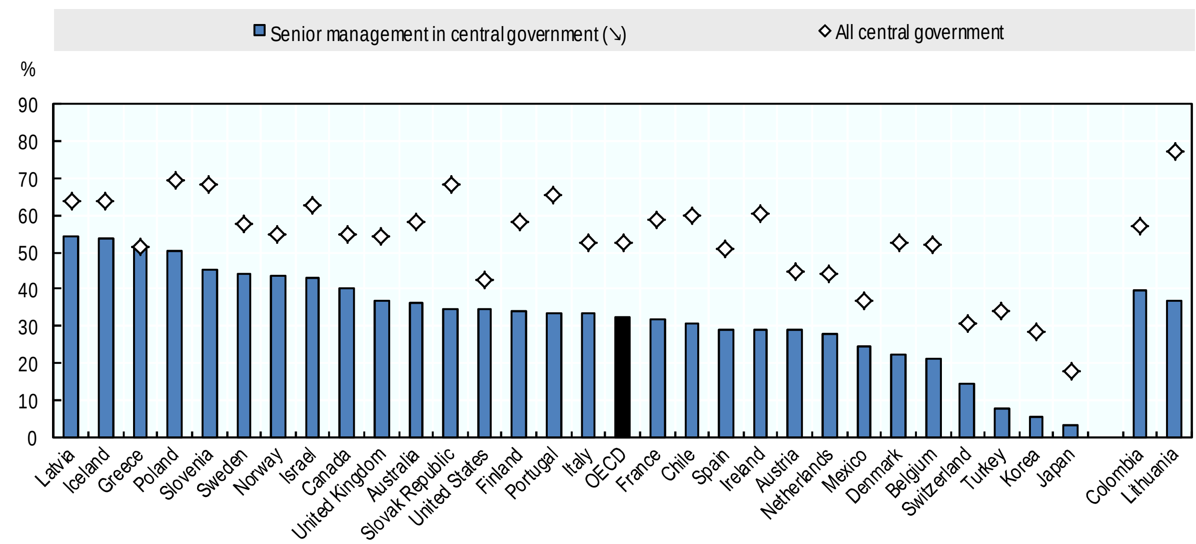
Data suggest that the leaky pipeline at management level is consistent across the public sector. In the 28 European Union countries for which data were available, women held 35.3% of the highest administrative positions in national government in 2016 – a minimal increase of 5.1 percentage points over 2013. As for the second most senior level, women accounted for 41.1% of posts, a tiny increase of 2.5 percentage points over 2013. Behind these average figures, there are variations from country to country, particularly at the highest levels of the civil service (EIGE, 2016).

Figure 14.3. Although women often make up more than half of employees in central government, they tend to be under-represented in senior government management positions

Female share of employment in senior management in central government, and female share of all employment in central government, 2015 or nearest available year[a]



Note: Data coverage and the classification of occupations in central government sometimes vary across countries. For more detail and country-specific notes, please see OECD (2017, Figure 3.8 and Annex D).

a) Data for Italy and France refer to 2014, and for the United Kingdom to 2016. Data for senior management positions in Korea are for 2016.

Source: OECD (2017), *Government at a Glance 2017*, OECD Publishing, Paris, http://dx.doi.org/10.1787/gov_glance-2017-en.

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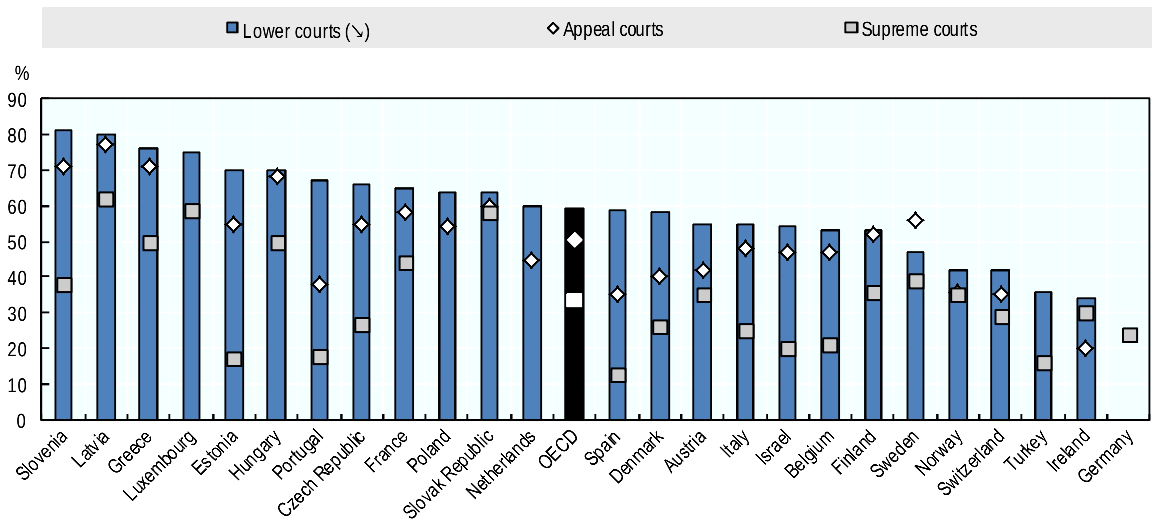
There has been great progress in the numbers of women working in judicial systems and gender gaps are narrower. Available statistics show that, on average across the OECD, women make up 54.7% of all judges. They are well represented in lower courts, where they are in a majority (59.4%), while in second instance, or appeal, courts there is a gender balance – 49.5% of male officers and 50.5% of females.

However, the higher a court is in the judicial hierarchy, the lower is the share of female judges (Figure 14.4). Only 33.6% of Supreme Court judges are women. The trend is mirrored in the proportion of female presiding judges – 45.9% and 28% in courts of first and second instance, respectively, and 18.6% in Supreme Courts. If judges are excluded, women are overrepresented in court staff, accounting for an average of 75% of positions.

Figure 14.4. The higher the level of the judicial hierarchy, the lower the share of female judges

Female share (%) of professional judges, by level of court, 2014



Source: CEPEJ – European Commission for the Efficiency of Justice (2016), "European Judicial Systems – Efficiency and Quality of Justice", *CEPEJ Studies No. 23*, Edition 2016 (2014 data), European Commission for the Efficiency of Justice, Council of Europe, Strasbourg.

StatLink http://dx.doi.org/10.1787/888933574912

Changing policy environments

Most OECD countries have initiated policies to promote gender balance on boards and in senior management (OECD, 2015c). Those that have introduced quotas have seen more immediate increases in the number of women on boards, while those that have taken a softer approach, using disclosure or targets, have seen a more gradual increase over time (Box 14.1). Most countries either require businesses to disclose the gender balance on their boards or, as part of their corporate governance codes, compel companies to comply or explain.

The United Kingdom's voluntary business-led initiative, for example, has brought improvement in gender diversity. Since 2011 companies listed on the FTSE 100 index of big firms have been encouraged to ensure that at least 25% of board members are women, with the voluntary challenge later widened to all firms listed on the larger FTSE 350 index, and increased with companies now asked to reach 33% female board members by 2020. The corporate governance code that governs companies listed in the premium segment also requires them to comply with board diversity disclosures. Sweden also uses its corporate governance code to steer companies towards gender balance – an approach that has brought results.

Similarly, since they endorsed the OECD Gender Recommendation, Australia, Chile, the Czech Republic, Japan, Poland, Portugal, Luxembourg and Switzerland initiated soft targets to achieve gender balance on the boards of PLCs and/or state-owned enterprises (SOEs). Australia and Chile – together with other countries like Finland, Spain and the United Kingdom – started to include disclosure requirements in their corporate governance codes and regulations compelling corporations to reveal the gender balance on their boards. Spain also uses voluntary agreements, whereby companies commit to meeting gender diversity target in decision-making positions and on their boards of directors. They also pledge to develop and enforce measures to that end.

As of 2016, nine countries – Austria, Belgium, France, Germany, Greece, Iceland, Italy, Israel and Norway – have introduced compulsory gender quotas for PLC and SOE board membership. Finland, while it does not enshrine targets in law in its state-owned enterprise sector, has a rule in its nomination practices that ensures at least 40% representation of each gender. While quotas have boosted the number of women on boards in many countries, the gains at the top have not been reflected below board level.

Box 14.1. Gender diversity quotas, targets and disclosure rules for corporate boards

A quota system requires a minimum level of representation of both genders on company boards. A required quota written in law allows the government to enforce it and sanction companies for breaking the law by, for example, annulment of an appointment to the board, issuing warnings or levying fines.

Targets are measurable gender equality goals that companies should seek to meet to ensure gender balance on their boards of directors. They are to be achieved within specific timeframes set by the government or companies themselves. Targets are generally voluntary, so companies enjoy a certain leeway in meeting them. However, if they fail to meet targets or foster diversity, governments can hold them accountable by requiring them to explain publicly if they comply and if not, why not – the comply-or-explain approach, used in the Netherlands, for example.

Disclosure rules compel companies to disclose the gender make-up of their boards and even their gender diversity policies. They may be written in law or be provisions in corporate governance codes that required companies to comply with the rule or explain why not. All countries that practice gender quotas also use the disclosure rule, which is not always true of countries with voluntary gender diversity targets.

Most OECD countries practice some form of gender quota action to increase female representation in politics. The following are some examples (for further information, see www.quotaproject.org):

- Reserved seats gender quota – a constitutional and/or legislative requirement, which regulates the number of women and men elected.
- Legal candidate gender quotas – also a constitutional and/or legislative requirement, which compels political parties to put up a certain share of female and/or male candidates in elections.
- Political party gender quotas – which are adopted on voluntary basis and define the minimum number of female and/or male candidates who will stand for election on a party's list.

In 2016, of the 28 OECD countries with the data available:

- 24 had voluntary political party gender quotas,
- 10 had legislative gender quotas in their single chambers or lower houses,
- 10 had incorporated gender quotas into electoral law,
- 3 had written gender quotas into the constitution,
- 9 OECD countries are also reported to have passed gender quota legislation at subnational level,
- 0 OECD countries practice reserved-seat gender quotas.

The size of quotas varies, too, ranging from 14% to 44%, though none go as far as 50%. In 2014, however, Mexico passed an important amendment to Article 41 of the Federal Constitution that does require parity. It compels political parties to ensure gender parity when they nominate candidates in federal and local congressional elections and that they alternate male and female names on their lists of candidates. The move was a critical improvement on the previous constitutional requirement that at least 40% of deputies in the Assembly should be of the same sex (OECD, 2017b).

Quota actions, far from being an overall solution to gender-balanced representation in leadership, have shown to positively affect women's political representation. 13 of the 16 OECD countries where women's representation reaches 30% or more in single chambers and lower houses use gender quota systems, whether legislative or voluntary. However, between 2013 and 2016, no further countries joined the 10 that reported practicing legislative quotas, although France did embrace them in 2013 at the subnational level. Nor was there any change in how many countries used voluntary party gender quotas.

Practice of political gender quotas in diverse regional contexts

Despite persistent challenges to women's political participation, many countries in different regions of the world have legislated or changed their constitution to introduce legally binding gender quota actions and increase shares of women elected to parliament. From 2005 to 2015, female representation more than doubled in lower houses and single chambers in the Middle East and North Africa (MENA), with Algeria and Tunisia crossing the 30% threshold beyond which the United Nations considers that women can truly influence policy. (See Chapter 20 for more details on quota provisions in MENA.)

In Latin America and the Caribbean, parliamentary gains for women came in the wake of the widespread introduction of gender quotas in the 1990s. More countries have followed suit since then, such as Chile in January 2015, Colombia in July 2011 and Uruguay in March 2009. Some countries have also further committed to gender balance by moving from gender quotas (ensuring a minimum percentage of the under-represented sex) to the adoption of requirements for gender parity. Ecuador was the first in 2008, followed by Costa Rica in 2009, Bolivia in 2010, Nicaragua and Panama in 2012 and Mexico in 2014. The 2015 electoral reform in Chile establishes so-called "flexible parity," allowing neither gender to exceed 60% (or fall below 40%) of all candidates.

In Asia, despite the adoption of gender quotas by many countries, the average percentage of women in parliaments (19.5%) remains far below the 30% threshold (IPU, 2017). Countries where women's representation in parliament is greatest – such as China, Bangladesh and Pakistan, for example – generally rely on legal gender quotas. The experience of Timor-Leste, the Asian country with the highest share of women in parliament in 2016, is instructive – following the introduction of a 25% female candidate quota in 2006, and the later extension of the quota to 33% in 2011, the female share of seats in the national parliament jumped from 25% in the 2001 election to 29.2% in 2007 and to 38.5% in the election in 2012 (IPU, 2017). However, some of the countries where women's political representation is relatively high have not adopted legal gender quotas. Instead, some rely on voluntary gender quotas and/or targets adopted by political parties, as in the Philippines, or on the promotion of women by the state, as in Viet Nam. In others, like India, Malaysia, Myanmar, Sri Lanka and Thailand, the lack of legal gender quotas at the national level surely plays a role in the persistently low shares (below 12% [IPU, 2017]) of women elected in parliament. In the case of India, however, the picture is completely different at the subnational level, where several states have adopted affirmative actions and women's representation is higher.

Affirmative action in public services

Despite minor variations, there is low take-up in the civil service of measures which explicitly seek to enhance the recruitment of women and ensure that they enjoy equal opportunity in promotion and career advancement. According to 2016 data, the most common policy measure, which ten OECD countries reported using, is gender diversity hiring targets for women. In and around 2010, OECD countries began to use affirmative promotion and career advancement action designed for under-represented groups to specifically target women:

- Germany and Israel gave women preference in promotion;
- Austria, Canada, Germany, Korea and Switzerland gave women preference in promotion and recruitment;
- Belgium, Sweden, Switzerland, the United Kingdom and the United States ran information sessions specifically targeting women to make them aware of career development opportunities;
- Japan, Switzerland, the United Kingdom and the United States introduced coaching programmes specifically aimed to support women in acquiring higher career positions;
- Austria, France, Japan, Korea, Spain and Switzerland adopted gender targets for promotion ensuring that a certain number of women is given the chance to advance in their career.

Between 2010 and 2013, though, some countries cut back on gender affirmative actions. Austria and Iceland reported using gender diversity preference in hiring in 2010, but not in 2016, while France and Japan said they had discontinued preparatory training for civil service entrance examinations specifically targeting women candidates. France did, however, report in 2016 that it rewarded public service departments that had recruited more women and/or meet gender diversity targets.

Some OECD countries are moving towards affirmative action in the judiciary to ensure gender-balanced representation. Ireland, for example, established a Judicial Appointments Commission in 2016 which states that one of its priority goals is gender balance in judicial office. In 2013, Spain's General Council of the Judiciary approved the Equality Plan for Careers in the Judiciary. Designed to achieve effective gender equality in career advancement across the Spanish justice system, the plan includes: equal recruitment by public entrance examination; equal opportunity training and awareness-raising; vocational training; balancing work and family life; and, greater female participation in senior positions within judicial office. Some OECD countries – such as Denmark, Germany, Norway and the United Kingdom – indicated that they had taken measures to promote gender-sensitive recruitment processes in their court systems in 2014 (CEPEJ, 2016).

Remaining challenges

Obstacles to gender balance in corporate and public decision-making positions remain. They stem not only from institutional and organisational structure, but from social and cultural norms, inadequate buy-in or support from leaders, assumptions about women's behaviour that serve them ill in leadership positions, and underdeveloped professional networks for women. Measures such as quotas, soft targets and parity requirements to ensure numerical gender balance are important. But they are not enough to afford women equal access to and full participation in public and private leadership. Any affirmative measures, such as quotas, should be considered as transitions to long-term changes in systems and cultures whereby men and women lead and contribute on an equal footing, and to their individual potential, to the political and economic development of their countries.

The figures and analysis in this chapter show that many challenges have gone unaddressed in the last three years. Men and women continue to share social responsibilities unequally in all OECD countries, as longstanding gendered representations and social norms hamper women's career development – even when they are educated to comparable and higher levels. Although policy makers are increasingly seeking ways to strike a work-life balance for both men and women in positions of leadership, women still struggle to reconcile private and professional responsibilities, particularly as they reach the top. The lack of structural and institutional backing for women throughout their careers is a serious obstacle to their reaching senior positions in the private or public sector. Besides childcare support, flexible work arrangements, and care-related leave for both women and men, what women need – and is essential but often lacking – is the provision of effective, sufficient and equal opportunity to develop as leaders. That includes: sponsorship, mentoring, building confidence and access to networks.

Key policy messages

- Single out clearly the reasons why progress in gender-balanced leadership, in both private and public sectors, has been slow and inconsistent in recent years across the OECD. All countries should invest in building evidence supported by targeted, gender-disaggregated data that is systematically collected in order to address the remaining challenges with tangible reforms.
- Gender quota actions are useful but cannot resolve women's persisting under-representation in public leadership. There needs to be a basket of measures tackling the multi-faceted challenges. Consistent changes to the law and coherent policy reform are crucial to ensure that men and women have equal access to political representation in election practices and public office, in civil service recruitment and promotion, and in human resources management in general within the public sector. Requirements for gender balance in positions of leadership need to be strengthened at national, subnational and institutional levels as part of the push for change. Tackling the mind-sets of incumbent male leaders and managers and changing institutional cultures still embedding gender bias in both public and private sectors is also key. Changes in legal and policy frameworks should include better accountability and effective monitoring of organisations' performance in achieving gender balance in senior management.
- Investing in male and female leadership role models is key. Institutions and policy makers need to invest in promoting leadership development schemes for women, also based on peer-to-peer support – such as sponsorship, mentoring, building confidence and access to networks. But it is also critical to engage men leaders in achieving gender equality. This could be done by establishing male role models from top private and public sector management to drive the change in gender stereotypes and cultural norms which continue to hamper women's access to and participation in decision making.

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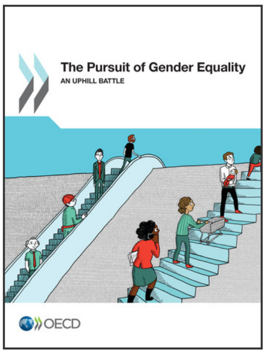

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