A study of the rising role of women in international strategic management - the challenges and practices

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I hereby declare that the work submitted is mine and that where I have made use of another’s work, I have attributed the source(s) according to the Regulations set in the Student’s Handbook.

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Abstract

This dissertation was written as part of the MSc in Management at the International Hellenic University. We have examined the role of women in international strategic management, which is a hot topic the past few years.

Women are usually facing discrimination in employment not only in terms of pay gaps, but also in terms of career opportunities and moving upwards the levels of management within organizations. However, in many cases it is the very same female executives who do not want to break the glass ceiling and place their careers on top of families and personal lives. Moreover, women are not easily opted for international assignments, since in the case of international management positions, other issues such as cultural differences at a third country make the glass ceiling look even thicker.

Yet, there is strong evidence that women can perform better in leadership, which is directly connected with organizational performance. Simultaneously, legal frameworks have been adopted around the world, mainly the U.S.A. and the E.U. in order to put female representation quotas to businesses. The fruits of such factors are already evident, since the female representation in top and in international management has been on an increasing spree at least since 2014.

Many well-known global operating organizations have taken action to eliminate gender inequality in employment. In the last section of this dissertation we are presenting facts and figures from the H&M Group gender equality vision and strategy.

Keywords: Women in management, international management, glass ceiling

Yvette Strick

31/12/2019
Preface

This dissertation is original and independent work by the author, Yvette Strick. I would like to express my gratitude to my family who supported me during my studies and to my supervisor Ms. Lida Kyrgidou for her assistance and for her guidance in order to deliver this dissertation.
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Introduction

Women are generally underrepresented in international strategic management. People see men and women differently and this is slowly changing. Gender discrimination in employment has two important facets; the proportion of women in an organization and the payment of women in comparison to the payment of men for the same job position level.

It is important to identify why women are viewed differently, why and how this is changing, why the past and current thoughts about this could be disturbing and what kind of contribution women can have in an international strategic environment. The issue that women have more difficulties to achieve the same as men in international strategic management is giving more barriers and obstacles for women and could create a missing potential of success for organizations.

With the research questions answered in this dissertation, a complete view of every aspect of the rising role of women will be researched and analyzed.
1. **Women in international strategic management**

In this chapter we are presenting our literature review findings on the background of women in international strategic management. We are providing some introductory information, followed by the corresponding historical background and some useful statistics from around the world. Furthermore, we are giving insights in the European, Global, Dutch and Greek legislation. The chapter ends with our research questions.

**1.1. Introduction**

The last couple of years, the importance of managing diversity has been recognized for the growth of multinational organizations. Studies imply that the topic of diversity in MNEs has been gaining increased interest all around the world. (Baghdadizadeh, 2012)

Despite the constantly increasing need for international managers in the MNEs’ environment, the number of women selected for international management and top management positions is low, but following a positive track the past years, as we are mentioning below, in paragraph 1.3.

According to literature, women face substantial barriers when selected for an expatriate mission, although such barriers consists of high levels of fiction and stereotypes. On the contrary, there is solid evidence that organizations with more women in top management and with more women in international management positions perform better.

Before proceeding with Chapter 1, we have to clarify the fact that in an MNE, the BoD regularly consists, among others, with the firm’s subsidiaries’ directors while an MNE leadership and top management positions include those abroad, therefore examining top management should not confuse readers. Instead it was deliberately decided. We handle women in top management and women in international management as a common field of research.
1.2. Historical background

The increasing importance and the increasing volume of international business is omnipresent and inescapable not only to business experts but also to most common readers. The first multinational enterprises emerged in the 1960s and they were initially considered as an after-effect of the WW2 by that time’s literature. The first MNEs\textsuperscript{1} were U.S. based firms who started expanding overseas.

Since that primitive era for MNEs, the international economy has been reshaped dramatically, with firms from Europe and Asia expanding abroad their home countries. This led to the creation of various cross-national partnerships between newly internationalized firms.

Consequently, the increasing operations of multinational companies have led to an increased need for managers and executives bringing their expertise and more specifically the expertise from the home country of a firm to its international operations.

Since the first MNEs appearance, managers sent abroad used to be mostly men. Despite the turn to tackling gender discrimination in employment, which has been realized both by regulatory changes and by cultural changes, there are few regions where women hold at least one third of the position in firms’ boards of directors or hold a significant number of international positions.

Yet, the ratio of women to men is constantly increasing globally, with a few exceptions, making a potential global minimum of 30\% of board of directors positions held by female executives possible within the next few years.

The increasing demand for international managers can be met successfully by selecting more and more women eventually. The firm social and legal pressure on enterprises for

\textsuperscript{1} Multinational enterprises
gender discrimination in employment abolishment is expected to play a significant role and increase the number of female executives in international management positions.

Apart from changes in the business culture and the changes in legislation, international businesses are forced to eliminate their stereotypes and promote women to top management and international management positions, since firms will have to meet their increasing need for highly capable managers, among which many will eventually be females.

However, apart from firms willingness to select female executives for top management international position, we should evaluate how highly capable female executives can be attracted to this business.

1.3. Global statistics

We are presenting some highly reliable data retrieved from the 2019 Grant Thornton Women in business report. (Grant Thornton, 2019)

We are witnessing serious progress in terms of gender diversity in business. Triggered by global movements, like the #MeToo, and by the increased controls on potential payment gap related to gender diversity, the women presence in senior management has increased in 2019. As shown below, in Figure 1, 87% of the examined organization employed at least one woman in senior management, while 29% of the senior management position were held by women in 2019. The corresponding percentage for 2018 was 5 units lower, equal to 24%.

Since the very first Grant Thornton annual report on Women in businesses, in 2004, the percentage of women in senior management position has only risen by 10 units, half of which was recorded since 2018.
Moreover, the percentage of businesses employing at least one woman in senior management has risen by 20 units in the past five years, 12 of which were recorded since 2018. Hence, the target of 30%, which would flag the solid direction to gender equality, has not been accomplished yet.

![Chart 1: Women in senior management positions (Grant Thornton, 2019)](chart1.png)
We provide a global snapshot for 2019 below in Figure 2. The region of North America is ranked first in terms of firms employing at least one woman in senior management. Apart from North America and Eastern Europe, no other region has overpassed the 30% limit of senior management positions held by women.

Moreover, we should point out that the ASEAN region 28% of senior management positions held by women is highly decreased compared to the 2018 38%. Except for this region, every other region has improved both percentages, with the APAC region marking the highest increase from 2018’s 71% to 2019’s 85%.
Figure 2: Women’s participation in senior leadership has progressed (Grant Thornton, 2019)

The Grant Thornton report indicates that other common barriers reported by the examined firms, include lack of time along core job responsibilities, lacking professional development chances etc. We must denote that women face the above-mentioned barriers in a higher level than men, expect for a few cases.

Figure 3: The barriers facing senior leaders (Grant Thornton, 2019)
According to literature, in Southern Europe and in Latin America there are substantial cultural barriers to employing women, especially in senior management positions. The most common barrier is the belief that women are mostly responsible for raising their children and looking after their family. (González, et al., 2009)

More specifically, the literature indicates that outside work caring responsibilities halt 27% of the women professional development potential in Southern Europe. (González, et al., 2009)

As far as Latin America is concerned, although women in senior management positions are most preferable, 24% of the women executives recognize outside work caring responsibilities as a professional development barrier. This phenomena has been named the “iron ceiling”. (Longo, 2014)

1.4. European regulatory framework on gender equality

The issue of employment gender discrimination was first raised in the 1957 Treaty of Rome, which included an explicit article regarding gender related payment inequalities in employment;

“Each Member State shall during the first stage ensure and subsequently maintain the application of the principle that men and women should receive equal pay for equal work.” (European Commission, 1957)

In 1976, gender equality in employment was defined as bifacial matter comprising of both social and economic factors, targeted to be solved in order to assist the women employees living standards and working conditions, as mentioned initially in the revised article 119 of the Treaty of Rome, by the European Court of Justice, and lately by the articles 8, 10, 11, 153 and 157 of the Treaty on the Functioning of the European Union. (Prechal & Burri, 2011)

More recently, in 1999, the European Union undertook the gender equality in employment as a major task, as stated in the Article 2 of the European Commission in the Treaty of Amsterdam. The aforementioned Article included a regulatory framework to eliminate gender discrimination in employment.
Later, in 2007, gender equality was fostered as fundamental European Union principle under the Lisbon Treaty. Moreover, gender equality was included in the Fundamental Rights of the European Union as a sole chapter. Under this chapter, any facet of gender discrimination in employment was prohibited, including not only discrimination within the working environment but also in the recruiting and selection stages. Moreover, the chapter made provisions for the maintenance of balance between the professional and family life, by establishing rules for parental and maternity leaves.

All the above-mentioned regulatory steps have shaped the current and the future status for gender equality in the European Union, concerning every economic activity in the European Union.

Apart from protecting gender equality, the European Union has taken initiatives in order to assist faster leveling of men and women in employment actively. Initially, two European Council Recommendations papers proposed some initiatives for private firms, so as to not only employ more women, but more specifically to employ more women in top management, like executive positions in or outside the board of directors. (European Commission, 2012)

Yet, the European Union took on a more active role in 2010, by adopting the “Women Chapter” and by the European Commission commitment to take actions to support the female executives engaged in decision – making in, both private and public, organizations. (European Commission, 2010)


Under this strategy, the European Commission commenced debating with private firms’ BoDs and leaders, which produced the “Women on the Board Pledge for Europe” memorandum for listed firms, which required them to deliberately increase the number of women holding positions in their boards of directors by substituting previously positioned male executives. At the moment that this memorandum was agreed,
European firms boards of directors were highly consisting of male directors. (European Commission, 2012)

Yet, after the memorandum adoption, the leveling of female to male directors started with high variances among the European Union member states. Indicatively, in 2012, Finland and Latvia were ranking first in replacing male with female directors, marking a close to 30% women in firms’ board of directors, with Malta ranking last having only 3% of firms’ boards of directors held by female directors. (European Commission, 2012)

Judging on the poor results of the memorandum, the European Union turned to adopting the targets and initiatives in the aforementioned Pledge as European Legislation, in order to set mandatory goals for European firms leveling women to men in their boards of directors. (Kanter, 2012)

The produced legislation was adopted on November 2012, under a European Directive, binding big firms, employing more than 250 employees and making more than 50m€ annual revenue, to level the ratio of women to men in their boards of directors, with the additional provision to mandate listed firms, out of the above mentioned pool, to adopt unbiased selection methods for the promotion of women to their boards of directors. The directive included a targeted 40% of female non-executive members by 2020 only for listed public firms. (European Commission, 2012)

By 2015, the aforementioned Directive was made mandatory to be adopted by all Member States national legislations.

1.5. Research questions

Our research questions consist of literature and empirical questions as presented below;

1. What are the advantages and disadvantages of women in international strategic positions?

2. What are the challenges women experience in the international strategic working environment?
3. What was the role of women in strategic management in the past and in the present and why?

4. What are the future expectations of the role of women in international strategic management?

5. Is there a connection between the number of women in strategic positions and the success of the organization? What does the existence or non-existence mean?

6. What do organizations do now to include women in international strategic management?

7. What could organizations do more to include women in international strategic management?
2. Research methodology

In this chapter we focus on how the research methodology we conducted. We justify the research strategy we selected, and we refer to the resources used for data collection.

2.1. Research design

The research design consists of a methodology followed in order to answer research questions effectively, taking into account potential limitations. It refers to selecting the optimum way of integrating all the necessary components, for the conducted research, with coherence and guides a researcher into effectively addressing a research topic. More specifically, research design includes planning how data will be collected and analysed. (Saunders, et al., 2015), (Zikmund, 2000)

Research design may vary considerably according to the research topic nature. According to literature, there three main research design types;

- exploratory type, which aims to discover a research field

- explanatory type, which aims to explain the situation around a research topic

- descriptive type, with aims to portray a complex phenomenon by cutting it down to smaller pieces which are easier to comprehend (Zikmund, 2000)

Considering the research questions mentioned above in paragraph 1.5 and consider the nature of the role of women in international strategic management we are following an explanatory and descriptive research type.

2.2. Research approach

The research approach may be either qualitative or quantitative and in extreme cases it can be a combination of the two approaches. Under this dissertation context we have followed a qualitative approach. We are referring to both approaches below in order to justify the selected approach.
2.2.1. Qualitative research approach

The qualitative research approach has been mainly used for research topics within the field of social sciences and served as a means for facilitating academics understand social and cultural events. Moreover, according to literature, qualitative research is highly applied in the research field of Business and Management. (Myers, 2009)

The qualitative research approach is more likely to be biased, since it is subjective in nature- researchers evaluate and interpret data according to their opinion, largely affected by how close their research background is with the research topic.

The qualitative research approach takes academics to a direction of acquiring deep knowledge and understanding about the research topic.

Moreover, the qualitative research approach is considered ideal when following an exploratory research, analyzing social and cultural issues under an organizational context.

Nevertheless, since researchers often have limited access to respectful amounts of data, generalizing the findings of a qualitative research is rather hard. (Myers, 2009)

2.2.2. Quantitative research approach

According to literature, the quantitative research approach applied more in the field of natural sciences, where phenomena have to be examined from a quantitative approach.

The quantitative research approach usually refers to collecting primary data, conducting statistical analysis, designing hypotheses testing and providing findings based on numbers generated by the data analysis. It may apply in business research when a research topic mandates examining a common phenomenon in multiple businesses, yet it mandates collecting primary data from the organizations examined, which makes it hard to follow as a research approach.

The main disadvantage of the quantitative research approach is that it focuses mainly on numbers without going deep into examining cultural and social phenomena in organizations, like gender equality.
2.3. Research strategy

According to literature, there are five main research strategies. Among others, the types of the research questions is the most significant determinant for selecting the most appropriate research strategy. Some typical research question types consist of who, what, where, how and why; (Saunders, et al., 2015), (Yin, 2014), (Zikmund, 2000)

- experiment strategy, which is most usually used in order to examine causality schemes, mainly by controlling how one parameter responds to other parameters changes
- survey, which is mainly deployed when following exploratory or descriptive research types and which is based on collecting data from large samples and reaching conclusions upon the data analysis
- archival analysis, which is followed when a research does not tackle behavioral events, and which is based on collecting data from archives
- historical analysis, which is applied when a research topic mandates examining a phenomenon under a specific time context
- case study, which is mainly used when the type of research questions is how or why, while the researcher focuses on contemporary events due to low ability to control behavioral events

In order to select the most appropriate research strategy, a researcher should address three issues; (Saunders, et al., 2015), (Yin, 2014)

- What is the research questions nature?
- To what degree can the researcher examine a real behavioral event?
- Should the researcher focus on historical or contemporary events?

Addressing the above-mentioned issues and the research strategy types provided at the beginning of this paragraph, we considered following a case study strategy, since
addressing the research questions mandates answering questions like why and how, while focusing on the current situation.

2.4. Data collection

According to literature, conducting a case study does not mandate the researcher to collect data from a sole source, instead it produces more solid findings and conclusions if multiple data sources are used.

In the paragraphs below, we are presenting the main sources through which data was collected, since we selected multiple sources to cover the research topic in a broader aspect. (Yin, 2014), (Zikmund, 2000)

Given the peculiarities of cases studies, which makes collecting primary data difficult we have collected secondary from multiple sources and we have applied critical thinking in order to provide our findings.

3.4.1 Academic paper; journals and international conferences

We have conducted a thorough literature review, exploring numerous academic papers published in academic journals or presented in international conferences dealing with gender equality in employment.

In the third chapter of this dissertation we are providing our most significant literature review findings and our conclusions drawn upon them.

In the fourth chapter we are referring shortly to Diageo and Prada, two firms ranking high in a gender employment in top management index, and we are examining the case of H&M. In order to link the literature review findings with the current situation in terms of gender equality in employment we discuss upon data regarding the vision and strategy of H&M which reflects their direction to offer equal career opportunities to women and we present some indicative initiatives the firm has taken towards that direction.
2.4.1. Annual reports and surveys

Due to the nature of the research topic, we have located many annual reports and surveys published by official public and private organizations dealing with the issue of gender equality in employment. We have used data from Grant Thornton, McKinsey & Company and Mercer, who all deliver annual reports or conduct surveys regarding the position of women in top management globally. Given the prestige of these organizations and given the extensive annual surveys they, we consider the collected data highly valuable.

The data collected had to do both with annual statistics and with national or international incentives provided to level gender discrimination in employment around the world.

2.4.2. Web sites

We are presenting data collected from web pages, mainly articles and announcements made by organizations and online newspaper such as Fortune 500, the European Commission and the United Nations. Moreover, we have used data collected from the H&M webpage and from the CARE organization, run by H&M, in the last section of the dissertation.

2.5. Data analysis

The analysis was carried out by describing and relating the qualitative data gathered with the research questions. Data analysis is conducted in order to understand the data under the research topic and it aims to deliver unbiased findings and reach solid conclusions, without allowing for space for misinterpretation.

Most usually, data analysis is conducted by building up a theoretical framework for the research topic. In order to build the theoretical framework, researchers usually collect secondary data from prior research in the same research field. (Saunders, et al., 2015), (Yin, 2014), (Zikmund, 2000)

The findings of this research are compared against prior literature in order to provide logical conclusions and identify potential gaps in prior literature. We followed a
dedicated course of referring to prior literature and providing our own elaboration in order to produce a highly valuable deliverable.

2.6. Research quality

In the following paragraphs we are elaborating about our research reliability and validity, based on various sources. (Hartley, 2004), (Saunders, et al., 2015), (Yin, 2014).

2.6.1. Reliability

Providing reliable research findings refers to providing unbiased findings and reaching correct conclusions.

Reliability can be measured easily if the same research topic is repeated under a new research context. In that case, the findings of the researches can be crosschecked. Yin 1994

Nonetheless, in order to measure validity by that means, the second research should follow the same course of logic and the same procedures as the ones in the first research. Moreover, since we are referring to a dynamic social phenomenon which changes yearly, as we have shown previously in paragraph 1.3, the second research should focus on the same period of time.

Finally, in order to achieve high reliability at the examined case study, we have presented data from more than one sources, which decreased the risk of providing false information or reaching biased conclusions.

Given the wide field of research, which actually consists of firms and mostly multinational firms, we have used secondary data only. However, all the data used were as mentioned above crosschecked in various sources.

2.6.2. Validity

According to the above-mentioned sources validity must be checked in order to measure a research quality. Yin suggests measuring validity on two dimensions; internal and external. (Saunders, et al., 2015), (Yin, 2014)
Internal validity refers to the reliability of our research findings and to the degree at which these are close to the reality. In order to maintain high internal validity, we have conducted a thorough literature review, based on numerous references, and we have crosschecked the findings before providing them.

The research followed a logic course set by the research questions presented in paragraph 1.5.

External validity refers to the applicability of our research findings on a broader field than the one examined in the case study. Given the fact that this research has been conducted on two pylons, with the first one providing the prior literature findings on gender equality in international management and the second one presenting the current situation in H&M, we consider the research findings to be applicable for generalization. The case study presented at the end of the dissertation was organized as a measure to examine whether the literature applies to the presented organization and not vice versa.
3. Literature review: the role of women in international strategic management

In this chapter we are presenting our literature review findings on the role and status quo of women in international strategic management. We are providing some introductory information, followed by the corresponding historical background and some useful statistics from around the world.

3.1. Women in international management

Despite the fact that there are numerous references for gender equality in general, little has been written about women in international management. According to prior research, women have better employment and professional development opportunities in case of large firms with rock solid financials and with an intense export character.

Potential regulatory frameworks mandating such firms to level the women to men ratio in employment and more specifically in top management positions. Apart from legal binds, the degree at which such firms are exposed may render them vulnerable to negative criticism in terms of gender equality. A good case is the H&M firm, which will be examined below in chapter 4.

Another rationale supports that gender discrimination and women employment barriers may be abolished in such firms since they promote a multinational and multi-cultural image.

However, even large firms which employ women in international positions seem to be rather hesitant with employing female expatriates in top management positions. This, on its turn may be justified by the potential cultural differences between the home and the host country of an MNE operations. A firm’s management or ownership may consider it possible for a female top management executive to be mistreated by the host country employees posing barriers not only to their success but also to the firm’s success.
Yet, according to literature, there are significant differences among different industries. More specifically, there are references implying that opportunities for female executives in international top management positions differ strongly for the banking – consulting, manufacturing and retail industries across the world. Differences are identified in the female executives’ prior experiences and the positions they are offered. (Adler, 1984)

Women's employment in an international business environment implies they have to handle and manage people, as well as processes, with high cultural, economic, social, legal and political diversification. This highly diversified environment is reasonably affecting both men and women.

Under the context of this dissertation we are exploring how the above-mentioned differences may affect women and which challenges and barriers are raised. International management positions are likely to be filled with native candidates or via internal recruiting. Therefore, the data provided above, in paragraph 1.3 may not capture the whole picture not only because of internal recruiting or employing natives, but also because these are not referring solely to women in international management. Yet, we consider this data to be valuable, since it reflects the ratio of women to men in senior management positions. Women employment in this context is likely problematic from its early stages and more specifically from the recruiting and selection stage.

3.2. The women in top management effect on firms’ performance

There is rumour that firms with more women in top management and in international strategic positions perform better. According to a survey by the Peterson Institute for the International Economics journal, firms with women at the C Suite level have higher net margins. (Noland, et al., 2016)

According to the above-mentioned survey, profitable firms with at least 30% of the top management representing women can expect around 1% more net margin if compared to other firms with less than 30% women in their top management.

Moreover, according to a McKinsey & Company 2008 report, the fact that women with female leaders operate better due to the way female leaders exercise leadership. More specifically, based on a prior paper on the link between leadership and performance by
Bass and Avolio (1990), they found that nine specific leadership behaviours, among which inspiration, employees’ development, augmented communication and others, are related to high organizational performance. (Bass & Avolio, 1990)

According to a survey by Eagly et al. (2003), women were found to exercise five out of these nice leadership behaviours slightly more to more than men as shown below in Figure 4. (Eagly, et al., 2003)

![Figure 4: A meta-analysis comparing women and men leadership behaviours (McKinsey&Company, 2008)](image)

Having made a connection between leadership behaviours and organizational performance the findings presented above justify, partially, why women may contribute to higher organizational performance.

The McKinsey & Company reports indicates that leadership exertion by women executives is among others a factor favouring higher performance, while other factors may include applied processes or adopted systems etc. (McKinsey&Company, 2008)

Apart from such robust and measurable effects, according to literature, higher diversified firms tend to be more innovative, creative and eventually profitable. According to another survey, analysing the Fortune 500 firms, those with more women in top management positions have a more intense innovative profile and tend to launch
more patents or new products, on average 20% more than firms with less women in top management. (Zaretsky, 2019)

Moreover, more women in top management may be translated in higher firm “status”, as we conclude based on the Fortune GFP Index most admired firms have around twice the number of women in top management in comparison with firms ranking lower in the same index. (Fortune, 2019)

Yet, judging on the fact that the global average is around 17%, the above-mentioned means that less reputable firms have around 8% of the top management positions held by female executives. (Grant Thornton, 2019),

Indicatively, the Apple Inc. who are ranked the first most admired firm fill around 29% of the leadership positions and almost 18% of the top management positions with female executives.

Definitely, we cannot support that women are either better or worse than men at running businesses or filling top management or international management positions. However, according to literature having a diverse, not only in terms of gender but also in terms of backgrounds and cultures, pool of executives at the decision-making level may prove to be beneficial for firms.

Afterall, innovation is a typical trial and error process, therefore having a diverse management team guarantees multiple backgrounds, cultures and genders tackling decisions more successfully.

Another research indicated that women are equally effective as men in international management. This research examined the women expatriates’ effectiveness from a broad point of view in order to provide more valid conclusions, since most of the prior research is examining specific aspects of the women expatriates’ effectiveness. (Bastida, 2018)

Moreover, the same research contributed to literature in terms of international managers personal performance and results, since we have not found any other research dealing with gender contingencies on organizational engagement and job
satisfaction in an international - expatriate setup. According to the researcher, there no considerable differences in the above mentioned between men and women. Women in international assignments tend to interact more intensely with the working environment and to fit the foreign environment faster than men. (Bastida, 2018)

As far as promoting women for international management positions is concerned, we have already mentioned some dimension of the International Human Resources Management issues, this study may be prove to be useful and potentially offer IHR managers a set of arguments in their need for encouraging executives to undertake international management positions, especially in case these are women.

Furthermore, engaging a significant number of women in selecting and recruiting other female executives for international management roles may provide a firm with additional benefits.

According to a Vance and McNulty paper, the low representation of women in international management positions does not only stand for inadequate ethics and lacking fairness, but it also reflects multinational enterprises incapability or inefficiency to take advantage of their available candidates’ pool for such international positions, foreshadowing a bleak future for these MNEs, given the constantly increasing global competition. (Vance & McNulty, 2014)

3.3. Challenges women experience in the international strategic working environment

The low representation of women in international management positions has been addressed from various aspects. According to literature, we distinguish three main approaches; individual, organizational and cultural.

Many researchers have argued about the female executives’ lacking interest in international management positions (Adler, 1984A), (Adler, 1984B), (Adler, 2002C), (Shen & Jiang, 2015), (Stroh, et al., 2000), (Tharenou, , 2008) and about the conflict of
female executives’ interest when scaling professional and family life. (Fischlmayr & Kollinger, 2010), (Linehan & Walsh, 2000), (Selmer & Lauring, 2011),

As far as the organizational aspect of low female representation is concerned, many researchers have argued about firms applying prejudicial selection processes, like by setting higher standards for selecting female executives than for male executives, as well as about lacking mentoring to female executives and adoption of ineffective female leadership models. (Budhwar, et al., 2006), (Harris, 2002), (Paik & Vance, 2002), (Linehan & Walsh, 1999), (Linehan & Walsh, 2001), (Linehan, 2002) Moreover, some other researchers have pointed out the potential health and safety issues raised for women, which may not be such serious for men. (Napier & Taylor, 2002)

Finally, as far as cultural barriers are concerned, literature has identified challenges related to the host country cultural differences, potential prejudices, such as gender discrimination and different, from professional roles preferred for women. (Hutchings, et al., 2013), (Mathur-Helm, 2002), (Stroh, et al., 2000), (Tung, 2004), (Tung, 2008)

Most of the prior research has focused on specific firms cases, arguing that female executives are often positive in undertaking an international management role. (Adler, 1984A), (Adler, 1984B), (Adler, 2002C), (Tharenou, 2008)

Moreover, some researchers tried to compare an inside an organization expatriation ratio of women to men with that of professional voluntarily going international in order to find some better employment opportunities. These researchers concluded that the ratio of women to men was higher in voluntary expatriation than the ratio in inside-organization expatriation and that more women than men go abroad seeking for better employment and professional development opportunities on their own than men. (Andresen, et al., 2015), (Vance & McNulty, 2014)

These findings are solid proof of the personal interest, engagement and ambition women have in international employment and career building. Taking a broader look at these findings along with the aforementioned challenges female executives may face in an international management setup, we may hold organizational related challenges as responsible for the difference between personal and inside an organization expatriation
interest of female executives. In fact, we have found some references supporting that female executives themselves consider their employer responsible for not selecting them instead of male candidates for international management positions. (Stroh, et al., 2000)

3.4. Future expectations of the role of women in international strategic management

In 2015, the United Nations adopted 17 Global Goals for Sustainable Development, which were adopted by a total of 193 countries. Among these goals, poverty elimination, tackling the climate change and gender equality were included.

More specifically, under the Gender Equality goal, the U.N. recognized the need to end all forms of discrimination against women and to fulfill their right to equal employment, health, education and decision-making opportunities. The elimination of gender discriminations is a prerequisite for achieving other goals, such as tackling the climate change and achieving sustainable growth, apart from the Gender Equality one.

Obviously, achieving the goals for sustainable development is a rather challenging task. The current situation around the globe is rather uncertain, mainly due to environmental, social and economic issues, which eventually makes businesses set the gender equality as a secondary priority.

In fact, the current economic system is based on and favoured by inequalities and environmental degradation. Therefore, fulfilling these goals, does not only necessitate decreasing the emission of carbon dioxide but also the transformation of inequalities, such as great career opportunities for women, poverty and limited access to education, health, or finance to promising business opportunities. (U.N. Business and Sustainable Development Commission, 2017a)

According to another U.N. Business and Sustainable Development Commission report, companies making that shift may have access to a new market of around 12& trillion and create up to 380 million new jobs with a 2030-time horizon. (U.N. Business and Sustainable Development Commission, 2017b)
Under that context, we expect women’s’ role in international management and in top management positions to be further empowered. The statistics presented previously in paragraph 1.3 verify our expectation, since the ratio of women to men in top management positions has been constantly growing since 2004.

3.5. Number of women and organizations’ success

In this paragraph we are providing indicative data about successful companies with women in top management positions.

According to the Fortune500 2019 list, the number of listed companies led by female CEOs is bigger than ever. More specifically, 33 out of 500 companies, among which General Motors and Lockheed Martin, have a female CEO, standing for a mere 6,6%, yet marking an all times record, as shown below in Figure 5;

![Figure 5: Number of Female CEOs in the Fortune 500](Fortune 500, 2019)

As far as the percentage of women with boards seats has grown from 15,7% back in 2014 to 25,5% as shown below in Figure 6. According to the CEO of Catalyst, a Fortune 500 listed firm, this has been driven by institutional investors putting pressure on firms to turn to gender diversified boards of directors, following the academic research on performance related benefits due to gender related leadership diversity. (Fortune 500, 2019)
As far as Europe is concerned, the average female representation in the first 200 firms listed in the STOXX Europe 600 reaches 33%, among which French firms rank first with a 44.2%. Kering, owner of the brands like Gucci and GlaxoSmithKline ranked in the first three positions in terms of boards’ gender diversity. (Fortune 500, 2018)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCE</td>
<td>44.2%</td>
</tr>
<tr>
<td>ITALY</td>
<td>36.5%</td>
</tr>
<tr>
<td>GERMANY</td>
<td>33.7%</td>
</tr>
<tr>
<td>FINLAND</td>
<td>33.3%</td>
</tr>
<tr>
<td>BELGIUM</td>
<td>32.7%</td>
</tr>
<tr>
<td>THE NETHERLANDS</td>
<td>31.7%</td>
</tr>
<tr>
<td>THE U.K.</td>
<td>29.9%</td>
</tr>
<tr>
<td>SPAIN</td>
<td>24.6%</td>
</tr>
<tr>
<td>CZECH REPUBLIC</td>
<td>19.0%</td>
</tr>
</tbody>
</table>

Finally, we are closing with an estimation about the actual percentage of women in international assignments for 2018. A mere 14% of expatriate managers are female globally, according to a Mercer (2019) report. (Mercer, 2019)
3.6. Organizations’ initiatives to include women in international strategic management

As mentioned above, gender diversity, especially in top management, including international management positions can favour organizational performance. Organizations’ shareholder, especially institutional investors are highly aware of that, and exercise pressure on firms in order to increase their gender diversity.

Moreover, as mentioned above companies including more female top or international managers can have access to a big market valued around 12$ trillion. The regulatory framework binding countries, and therefore firms headquartered in these countries, to eliminate gender discrimination in employment may exercise pressure on firms taking initiatives to include more women in top management and international management positions.

Having presented the challenges a female executive might face upon an international assignment, we are providing the potential initiatives organizations may take in order to attract more women for expatriate management and top management positions. (Moore, 2012)

3.6.1. Overcome organizational restraints

As mentioned above, organizational restraints may lead to halting female executive upward mobility or a potential international assignment or may even eliminate a good female candidate during the selection and recruitment procedures. Overcoming these restraints by redefining the promotions and international assignments procedures is expected to play a significant role in including more women in top and international management positions. (Baker, 2003)

3.6.2. Redefining the selection and recruitment processes

A capable female executive may not take a top management position despite having the necessary qualifications. Moreover, internal selection, for promotions, may be biased in favor of men executives.
According to literature, although the number of female executives who would qualify for a promotion or for an international assignment is high almost 8 out 10 companies would rather select a male executive. (Burke & Nelson, 2000)

Therefore, redefining the selection and recruitment processes by adopting more unbiased procedures can be an effective measure to include more women in top or international management.

3.6.3. Improvement of the working environment

The working environment is mainly shaped by the working relationships developed. Taking promotion as a concept, we expect female executives to interact with coaches, mentors and go through appraisal evaluations.

Given the lacking women, in comparison to men, in managerial positions, the executives playing the role of the coach, mentor or appraiser should be able to share common interests with female executives and deeply understand their needs, under the working environment. (Laff, 2006)

Given the fact that women may seek for different, potentially more emotional and more empowering mentoring or coaching, assigning the mentor’s or coach’s role to more female executive would essentially lead in more effective development for women and therefore facilitate their promotion or assignment on international managerial positions.

3.6.4. Taking action for female executives relocation

In order to fill up managerial positions abroad, organization should facilitate female executives relocation. By facilitating we do not only refer to providing for female executives’ families relocation but also taking action for easier and faster cultural adaptability inside and outside the working environment. (Wellington, et al., 2003)

As far as inside the working environment is concerned, MNEs should cultivate a women acceptability culture even in countries where women are not easily accepted not only as managers or leaders but also as simple colleagues.
As far as outside is concerned, providing training prior to an international assignment, including learning a foreign language and acknowledging the third country’s culture can assist female executives relocation.

3.6.5. Breaking the barriers

Breaking barriers to female executives promotion or relocation is essential if higher ratios of women to men in top and international management are desired. Offering equal opportunities, via the above mentioned measures, eliminating women hostile environments in subsidiaries in third counties with intense gender discrimination cultures and providing for females’ executives special needs, driven by the need to take care of their family, can be very effective measures.
4. Case studies analysis

In this chapter we are presenting three companies ranked in the top 10 employers of women in management positions. The initial data to select the companies to present was drawn from Yahoo Finance. (Yahoo Finance, 2017)

Moreover, we are analysing the case of H&M further in order to present their gender equality policies and the corresponding initiatives they have taken towards this cause. The other two firms are referred to shortly in order to demonstrate how two top firms with well known brands perform outstandingly while employing a significant percentage in top management and in international management positions.

The examined companies are headquartered in Europe

<table>
<thead>
<tr>
<th>Company</th>
<th>Percent Women on Board</th>
<th>Percent Women Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>H&amp;M Group</td>
<td>58%</td>
<td>41%</td>
</tr>
<tr>
<td>Kering</td>
<td>55%</td>
<td>31%</td>
</tr>
<tr>
<td>Unilever</td>
<td>50%</td>
<td>31%</td>
</tr>
<tr>
<td>Etsy</td>
<td>50%</td>
<td>43%</td>
</tr>
<tr>
<td>Diageo</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>Gap Inc.</td>
<td>36%</td>
<td>57%</td>
</tr>
<tr>
<td>Best Buy</td>
<td>36%</td>
<td>55%</td>
</tr>
<tr>
<td>Target</td>
<td>36%</td>
<td>45%</td>
</tr>
<tr>
<td>Prada Group</td>
<td>22%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Source: LedBetter research

The Huffington Post

Figure 8: Where women lead; companies with at least 20% women in BoD and 40% women in leadership (Peck, 2016)
The regulatory framework adopted in Europe to set targets for the percentage of women holding Board of Directors positions has definitely played a significant role in driving the companies in Figure 8 closer to gender parity. We are reminding the adopted by the E.U. member states for a 40% minimum of women in Boards of Directors with a 2020-time horizon.

4.1. Diageo

Diageo is an MNE engaged in the alcohol beverages. Women represent 40% of both the board of directors and total executive positions. Apart from the high percentage of women in senior management, we should point out that the firm’s CFO, the General Counsel and the North America President positions are actually held by women.

Moreover, Diageo was included in a Financial Times 2017 list titled “50 Female Champions of Women in Business”. Recently, the firm has been receiving positive comments not only for the way they treat women and the percentage of women in senior management, but also for launching products targeting the female audience. In this context, Diageo is taking part in a UN Women initiative titled #UNstereotype Alliance, which aims to fight gender discrimination in advertising.

4.2. Prada Group

The Prada Group is a luxury fashion retailer, born in Italy, currently operating around the globe for more than a century. The firm has been run the initial founder Mario Prada granddaughter and her husband since late 70’. They launch both men and women products.

Half of the executive leadership positions are held by women, the aforementioned Prada’s granddaughter who is the firm’s CEO and another female executive in the CFO position.

4.3. H&M Group

Hennes & Mauritz AB, abbreviated H&M, was founded in 1947 in Sweden. Since then they have been outperforming the retail clothing industry globally ranking between positions 1 to 3 for the last few years.
In H&M women represented 64% of the board of directors and 35% of total executive positions in 2018, while the percentage of women managers in total reaches around 75%. (H&M, 2015), (H&M, 2018)

Apart from employing women in a large scale, H&M train future women leaders outside the firm, via the H&M Foundation, which is a non-profit organization. Apart from training future women leaders, the H&M foundation has established the Foundation 500 initiative in partnership with the Cooperative for Assistance and Relief Everywhere², which is engaged with assisting women entrepreneurs, in developed countries around the globe, in order to run their own businesses.

The oxymoron about H&M is that despite they are in the top ten employers of women in senior management, they are often criticized about the way they treat female employees in their manufacturing facilities. Some common practices they are criticized about is laying off women due to pregnancy, days-off due to illness and not accepting to work overtime.

The company’s vision and strategy are based on three major ambitions as stated in the 2018 Sustainability Report;

² C.A.R.E.
The firm has built their vision and strategy taking the UN Sustainable Growth Goals, to which we have referred above, into serious consideration. They are bound to achieve sustainability by promoting innovation and supporting transparent procedures.

Moreover, they follow a circular approach by using only recycled or sustainable raw materials and by turning their factories and facilities “green” thanks to renewable energy.

The third pylon of their vision and strategy is providing equal and fair career opportunities, eliminating discrimination, mainly gender discrimination, and supporting inclusion. Via the above they seek high diversity in every working level, from production workers to top management.

Finally, they are reporting their dedication to assisting in achieving the UN Sustainable Development Goals in their annual sustainability reports under the Standards and Policies section (Figure 10).
Figure 10: UN Sustainable Development Goals reported in the 2018 H&M Group Sustainability Report (H&M, 2018, p. 104)

Moreover, the company reports how their business activities contribute towards this direction, as shown below in
4.3.1. Dedication to promoting gender equality

At this point we are referring to a commercial launched for the 2016 Autumn collection of the firm. In the almost one minute long commercial various types of women appear, among which a “curvy” woman in H&M underwear, a muscular body builder woman and an Asian woman walking confidently in a meeting room full of men and taking the head position suggesting she is the C.E.O. of a firm (Figure 12). While the latter appears, the song playing words mention “Because she always knows her position”. (H&M, 2016)

The combination of the picture with the music passes a clear message towards women taking advantage of their full potential and climbing up the managerial scale.

Figure 11: H&M business activities contribution towards sustainable development goals
(H&M, 2018, p. 104)
4.3.2. Initiatives

H&M are fighting towards gender equality all over the world supporting women with the essential resources that will assist them unfolding their full potential, especially in employment.

Below we are listing the most important initiatives towards gender equality reported by the H&M and published in the Communication on Progress website of the United Nations; (United Nations, 2018)

According to UN website, the H&M Group has succesfully fullfilled the Gender Equality Sustainability Goal.

The firm has adopted explicit initiatives in order to support women and girls. Moreover, they are on a long track of achieving gender parity both in the Board of Directors and in the middle management level, while they have eliminated gender based pay gaps.

Apart from employing and promoting female executives to the middle and top management levels, they have cultivated a gender equality culture, while developing products and services with high gender sensitivity and conducting marketing with respect to gender equality.
According to the H&M Foundation website, the firm has donated a total amount of around 123€ million to the H&M Foundation in order to support gender equality and equal opportunities provision globally.

The H&M Foundation is operating in 34 countries around the world. They have interacted with around 430,000 people, belonging in marginalised groups, who were supported with empowerment tools in order to unfold their true potential and have access to equal opportunities, especially in terms of employment.

In the H&M Foundation they believe that gender equality is essential for rendering economies sustainable, with its benefits reaching whole societies and essentially the humanity. (H&M Foundation, 2019)

The H&M Foundation is collaborating with UNICEF, in order to provide equal education opportunities to children in developing countries. (UNICEF, 2018)

Finally, we are referring to the H&M collaboration with the Girl Up movement, since they have been taking very important initiatives which promote the H&M brand as diversity friendly and caring.

H&M has been a close partner with the Girl up movement in the U.S.A. Girl up is a global movement of women working towards gender discrimination. They provide women training about developing leadership skills via a web platform.

In 2017 H&M launched a collection to celebrate the U.S. Independence Day and promote gender equality in the U.S.A. Funds were raised for the Girl Up movement through this collection’s sales. (Girl Up, 2017)

In March 2019, the subsidiary of H&M in the U.S.A. made a 200,000$ donation to the “Girl Up” movement celebrating the 2019 International Women's Day and the proclaimed March as Women’s History Month in the U.S.A. (PR Newswire, 2019)
Conclusions

Gender discrimination in employment has been a problem ever since businesses started running. The global common understanding and willingness towards eliminating gender inequality in employment, in terms of recruitment, renumeration and holding top management positions has motivated governments as well as other legal entities such as the United Nations and the European Union to adopt regulatory frameworks towards that direction.

Phenomena like the iron or glass ceilings seem to be eliminated year by year, refuting that women themselves are unwilling to follow top management careers. Moreover, we have provided evidence of organizations performing better when employing women in top management positions and in top international management positions.

Some typical barriers for selecting expatriate women in international managerial positions such as cultural differences or other family – related issues have still to be overrun but we conclude that the global business world is moving towards the right direction.

Finally, we have provided three exemplary highly successful multinational firms employing significant numbers of women in top management positions. Among these, we have analysed the case of H&M who is not only close to gender parity in their Board of Directors but is also a strong activist, via the H&M foundation, for gender equality in employment and specifically in top management and leadership positions, but also for the elimination of social discrimination in general.

*If such well-known firms can perform outstanding with high numbers of women in top management who cannot?*
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