

# THEORETICAL FRAMEWORK FOR THE STUDY ON 6D MODEL (HOFSTEDE) AND GENDER DIVERSITY IN WESTERN COMPANIES: EUROPEAN MNCs VS AMERICAN MNCs VS ASIAN MNCs

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## Abstract:

*This study aims to assess theoretical framework based international literature and to evaluate what are the real chances for women in European companies vs. American companies vs. Asian companies to reach top executive positions. The study is based on different studies of the European Institute for Gender Equality, the US Bureau of Labor Statistics, Deloitte studies, McKinsey, WEF (World Economic Forum), European Commission reports, etc. The results show attempts/efforts at different levels (international, national and corporate) to improve the structure of the workforce, payment, motivation and attainment of executive positions for women under similar conditions as men in different types of firms and other categories of organisations. At the same time, among other conclusions reached in our study is the fact that in all Western countries (with liberal/democratic systems of political governance), at least in the last 3 decades, there has been a clear and positive trend to support equality as a guiding principle between the two segments of the workforce in the US, Europe and some Asian countries. Our proposed study is both theoretically (as a source for further research) and pragmatically (providing a clear synthesis of the positive implications of gender diversity for the performance of the corporate environment in the coming decades).*

**Key words:** Masculinity, femininity, gender diversity, remuneration, human resources, executive position

**JEL classification:** M10, M20, M52, O20

## INTRODUCTION

From the perspective of our study, we point out that there are more than 75 studies on this topic (also identified by us in WoS, as mentioned in research methodology of the study when we showed that more than 150 studies on this topic highlight mainly EU regulations and national laws in Europe on gender diversity) which present, scientifically, that the existence of a higher percentage of women in various executive boards and/or Monitoring Boards correlates quite well with a better financial performance of the companies in question (McKinsey 2017, CWDI 2018). This is especially so, if we take into account that most or all of the 75 studies, each of them, refer to well-known companies that originate from Western countries, are medium-sized or larger, are listed on stock exchanges and are privately or publicly controlled. (McKinsey 2017, CWDI 2018) At the same time, a relatively high proportion, about 29%, of executives in corporations surveyed by McKinsey (2018 Report) consider it highly beneficial to improve gender diversity as a permanently necessary component of an organization's future strategy. Therefore, there is every reason to believe that this beneficial trend currently encountered in the corporate world will be increasingly found in various studies (related or not to the 6D model), which take an in-depth look at the realities and trends regarding gender diversity in Western societies.

As we argue below, studies of the type cited provide sufficient arguments as to the need for public policies and corporate strategies that support the rise of women to executive positions in various MNCs (it is proven that women can perform the same types of jobs as men, they can be equally successful in the arts, science or technology and, possibly most importantly, leadership at the top of a female-dominated organisation seems to be more humanistic and ethically oriented).

The same studies argue that when there are a few key values within an organisation's culture (fair pay, democratic management styles, equal access to training and knowledge accumulation, etc.) women can be motivated and/or self-motivated to design/build successful careers that then become role models followed by thousands of other employees.

The study proposed by us aims to bring some additional elements on the realities encountered in major Western countries, at EU level as well as in significant companies in various markets in the context of supporting the principle of gender diversity in social life. In order to achieve this objective, we have made use in particular of the European Institute for Gender Equality, studies under the aegis of the US Bureau of Labor Statistics, Deloitte, McKinsey, WEF, reports of the European Commission, etc. Empirical studies and statistical data presented by such institutions have become a real source of inspiration for underlining the most coherent information/assessments that address the actual male vs. female dimension of Geert Hofstede's 6D model.

## 1. RESEARCH METHODOLOGY

It is worth mentioning that we managed to identify more than 150 articles dealing with the topic and we can state that the most cited scientific articles are based on EU regulations as well as national legislative norms according to which economic firms must take into account and implement partially or totally the gender diversity issue in the organization.

According to Geert Hofstede, his study, model 6D study, 6 cultural dimensions were identified: power distance, individualism - collectivism, masculinity (equivalent for masculinity-femininity, which is in direct connection with gender balance/diversity, analysed by us), uncertainty avoidance, long term orientation and indulgence (equivalent for permissiveness vs. norms). In the case of the present study, our attention is focused exclusively on the "masculinity" dimension of Hofstede's 6D model. According to Hofstede's arguments all large social groups (equivalent for country/nation or major social groups within countries/territories) develop their own culture over time by creating written (Constitution and Law) and unwritten common rules; these common rules are a sine qua non for the survival of the group (Hofstede, 2012). In direct connection with Hofstede's study, the "masculinity" dimension focuses on the important idea of our proposed study, i.e. the attempt to understand and evaluate the advantages and prospects of promoting women in various social positions (in a general sense, for the main countries of the Western world).

There are no relevant studies that show whether and to what extent the current trend of supporting "gender diversity" in most countries in the Western world would contribute or not to change the score on some (especially the "masculinity" dimension of the 6D) or all cultural dimensions of the 6D model. Therefore, our study provides clear insights/perceptions into the relationship between the dimensions of the 6D model and recent trends in gender diversity in the Western world. As we know, Japan and South Korea were in the 1950s considered predominantly collectivist countries (in terms of scores on the IC dimension of the 6D model) and in the 1990s they recorded average values on the same cultural dimension. What are the implications of this for the change in score on a cultural dimension in relation to economic performance, i.e. GDP growth in the country? Fairly well argued evaluations of gender diversity show that there are clear benefits for society and MNCs that democratise their HR policies when the corporate world as such assumes the training, motivation and promotion of women in various job categories (W. Mizuta 2022, 4th March, McKinsey, 2020, WEF, 2021). McKinsey Institute reports (2007 and 2020) show quite clearly that those MNCs that have gradually increased the share of women in the total workforce and in various executive positions have been able to achieve, almost without exception, an annual financial performance that is about 9% higher than companies in the same industry that have not applied such HR policies.

In addition to the research methodology mentioned above (on the basis of the WoS database, taking into account only one of the dimensions of the 6D model), we carried out a separate, relatively selective analysis of some sources of statistical data on gender balance in several major

Western countries (this research direction was limited by the existence of statistical data sources on the topic under analysis). By way of example, we recall that a study under CWDI from 2018-2020 shows that for the top 200 companies listed in the report ``Women Board Directors of Fortune Global 200`` the situation has improved with respect to gender diversity as from a percentage of about 10% of women in executive positions in 2004, it has reached in 2018-2020 a percentage of almost 20% women in director positions( CWDI Report, 2018).

It is obvious that we have excluded from our analysis the specific situation regarding the position of women in public life and/or in executive positions in companies coming from countries such as Afghanistan, Pakistan, Sudan, Iraq, Saudi Arabia, etc. (as long as the Constitution and laws of a country limit or prohibit women's access to university education, there can be no question of analysing such a subject with reference to the main companies in that country as we argue in section no.3 in which we show that the promotion of women to executive positions is dependent on competence, expertise and experience for a particular job/position, even when national law establishes positive discrimination regarding the promotion of women to executive positions).

In order to develop a study appropriate to ethics in doctoral research we combined quantitative and qualitative methodology. If we take into account these trends which are quite clearly supported by statistical data taken from different sources of documentation, then it follows that in all or most Western countries there are clear prospects for improving the rise of women on boards and other monitoring boards which are common in all MNCs in Europe and North America as well as in some MNCs in Asia.

Next, we present successively the other sections of the study, entitled: the situation on gender diversity in Europe (section 2), then the situation on gender balance in other countries followed by the situation on the same subject in several other SUA and Japan countries (section 3, 4, 5 of the study). In the final part of the study (section 6) we present some implications and conclusions of our study as well as trends on the subject of gender diversity for the Western world as a whole (in the form of a comparative analysis of the three poles of economic power at global level).

## **2. THE SITUATION GENDER DIVERSITY IN EUROPE**

### **2.1. SOCIAL REFORMS FROM THE HISTORICAL PERSPECTIVE**

From a historical perspective, the main European countries (Great Britain, Germany, France, Italy, etc.) were the countries where the Industrial Revolution (1776) started and where the most extensive social reforms took place, starting in 1800, with regard to equality of opportunity between individuals, the supremacy of law and the rule of law. In terms of technical innovation and technological advancement, the US has taken over from 1910 to the present day some of the scientific and managerial dominance of the major European countries. Also from a historical perspective, it is worth remembering that the female workforce was under-represented in industrial enterprises in Europe and the US, at least until the Great Depression of 1929-1933. After the right of women voters to vote (in some countries such as Australia and New Zealand before 1900, and in other European countries and the USA after 1900), the presence of women in social-political life, and then in various fields of activity, continued to improve, even if differently from one country to another.

### **2.2. GENDER EQUALITY PRE-ASSESSMENT FOR EUROPE**

On the basis of several analyses of the subject of ``gender diversity'', some criteria or factors have already been established in the literature according to which the relationship between women and men can be evaluated, statistically quantified and described in terms of their ascension in society, as well as in terms of their share in the total working population and/or executive positions in various organisations. In the sense invoked, we mention below some criteria and/or factors

according to which the female workforce in society (in general) has been evaluated as a social group in competition with the male workforce, respectively:

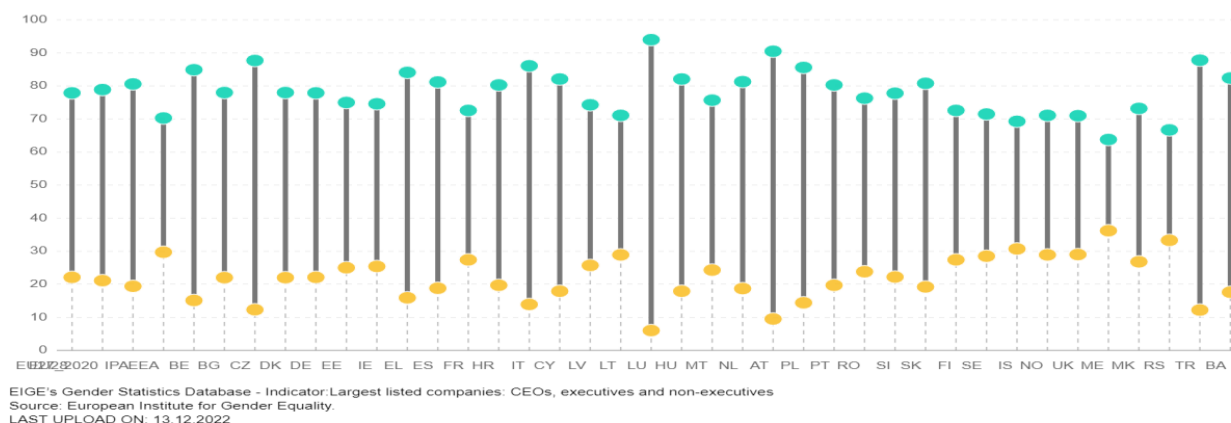
- First of all, the distinction between women and men with reference to the participation of women in certain industries or economic sectors has a historical and cultural charge, since the Industrial Revolution (1776) society, investors and managers have reserved for women only jobs/positions that required a minimum qualification and a very low level of pay (especially in textile processing companies in Great Britain, Germany, etc.).
- The comparison between male vs female labour force started to become much more realistic only since 1920 and up to the present (after the achievement of equal, direct etc. voting rights for women in the main western countries). But it was only from 1920 onwards that the gender distinction became an important cultural variable in the main countries and allowed women to rise to various social positions.
- Historically, as long as Europe and other major countries of the world have been on divergent positions and in countless wars/conflicts (World War I, World War II) over access to military and economic power, women have been under a clear dominance (in the sense of being a social category controlled by men who wielded political, administrative or other power) economically and socially over men. It was only after the Second World War, with the establishment of principles of cooperation between countries under the UN, that it became possible to adopt recommendations and create institutions such as the ILO, which then supported the adjustment of public policies applied by democratic countries.

From the 1950s to the present day, the principle has been increasingly accepted that the female workforce can be successfully represented on an absolutely equal terms with men in all organisations and in the vast majority of job types. According to what we mentioned, Hofstede describes countries with a high degree of masculinity as nations/social groups where important/special achievements achieved through competition by men are valued (as an element of support for economic growth); the same study shows that in countries where femininity predominates, somewhat better social relations are developed with regard to the behaviour of social groups (*in the long run such attributes might be more suitable for the sustainable development of a country and/or company*). Therefore the next question arises: *What is the substantive/continuous relationship between the 6D dimensions and the need to promote women in various social positions?* It is difficult to give a clear and reasoned answer to this question, since the dimension of "masculinity" is only partially associated with other dimensions of 6D such as PD (intuitively, we sense that there is a substantive link between the rise of women to executive positions and the way in which executives of any gender rise to positions of corporate power and the subsequent exercise of financial and economic power that sometimes exceeds the budget of democratic states).

Sociologists, psychologists and people in the field of human resources point out that sometimes women are less promoted to executive positions because of historical reminders of their status in society, with reference to caring for family members, managing and observing social issues, etc.

### 2.3. STUDIES UNDER EIGE

Data from the European Institute for Gender Equality shows that there is still some unfairness in terms of women's pay/compensation in executive positions, as well as in terms of their chances of accessing executive positions and the share of women on various executive boards of leading companies (compared to the share held by men).



**Figure 2. Largest listed companies: CEOs, executive and non-executive board members**

Source: European Institute for Gender Equality, [https://eige.europa.eu/gender-statistics/dgs/indicator/wmidm\\_bus\\_bus\\_wmid\\_comp\\_complex](https://eige.europa.eu/gender-statistics/dgs/indicator/wmidm_bus_bus_wmid_comp_complex)

In Figure 1, a clear summary is presented for the largest listed companies, which have been analysed by EIGE, showing that women are slightly represented in CEO positions and/or on various executive or supervisory boards at the top of companies. Thus, we observe in the report published by the European Institute for Gender Equality a very large gap between the number of representative members by women and the number of employees by men.

According to EIGE we deduce that male managers holding various executive positions vary in total share in the analyzed companies between 70-80% of total executive positions, the difference of 20-30% (in some cases 10-15%) being women. According to the same figure, countries such as Romania, Spain, France, etc. are close to the average of 80-20% men vs. women in executive positions; on the other hand, in countries such as the UK, Luxembourg or Belgium there is a somewhat more democratic, i.e. better situation regarding the representation of women in various executive and supervisory boards (up to 30% or even more of existing executive positions are held by women in the EIGE companies studied). It follows from this that the whole issue of gender diversity is currently under the attention of politicians, public opinion and international institutions such as the ILO (International Labour Organization), but the actual situation in the main firms/companies differs significantly from country to country. Such differences with regard to the balance of women vs. men in executive positions, with regard to remuneration etc. are determined by factors such as:

- ✓ First of all, the social rules for running companies and adapting the organisational culture, i.e. the Commercial Code or the Corporate Governance Code, are still significantly different from one European country to another (as well as from Japan, USA, etc.);
- ✓ It can be deduced that a major role in improving the proportion of women to men and in orienting the organisational culture towards more democratic values is played by internal rules, which the main MNCs themselves may adopt (internal rules such as: company statutes, codes of ethics, ROF (Rules of Organisation and Operation) and ROI (Internal Rules of Organisation), etc.);
- ✓ IEIGE studies show that for the time being a man is still the main "players" in the executive world of successful corporations in all or most European countries, but there are clear trends to improve the whole issue of gender diversity over the next five to ten years.

## 2.4. GENDER REMUNERATION TRENDS IN THE EU

In 2007 Spain was the first country in the EU to introduce in its Gender Equality Act a paragraph suggesting to the general public and private companies to appoint at least 40% of each gender to top management positions in companies by 2015. The implementation of this law was not rigid and left an open door for companies that failed to implement this legal norm. However, evidence on the effectiveness of appointing at least 40% women to board positions for Spanish companies shows that this category of organisation has managed to achieve some positive results on gender diversity (even before rules on this topic were adopted at EU level). Subsequent studies for Spanish firms showed that at the time of 2016-2017 only about 9% of the firms covered by that legal norm had managed to fully achieve the proposed target; however, the same evaluations show that in Spanish listed companies there is at least one woman in executive positions (in large companies there were at least 3 women on the board of directors).

It is difficult to identify what exactly are the conclusions of relatively in-depth studies on the sustainability of gender diversity and the performance of boards with a significant proportion of women on them, i.e. how the gender democratisation of these boards is subsequently reflected in the performance of companies, dividends paid to shareholders, funds allocated to R&D, innovation, etc. In general, even when the EU or Member States (as well as with reference to other countries) impose rules on improving women's access to various executive boards, companies seem in most cases to select their directors and other managers "for their personal characteristics" (Adams & Ferreira, 2008). As we will show later, the generalizations made by the criteria/factors set out in the Belgian Corporate Governance Code require at least some clear criteria that any organization should set out in the training, preparation and promotion of its executives: skills, expertise, experience, gender diversity and other criteria.

What are the realities and in particular the trends, as well as the identifiable benefits of the promotion of women in various executive positions for the main European countries?

The European Parliament adopted in 2019 the Directive on work-life balance, which aims to improve families' access to family leave and flexible working arrangements and is in the process of implementation. The measures that are mentioned in the directive mainly concern the following issues:

- Paternity leave: according to the Directive, fathers must be entitled to at least 10 working days of paternity leave around the date of their child's birth, compensated at least at the level of sick pay;
- Ensuring that two of the four months of parental leave are non-transferable from one parent to the other and compensated at a level set by the Member State;
- Introduction of leave for carers: workers who provide personal care or support to a relative will be entitled to five days leave per year;
- Extending the right to request flexible working arrangements for carers and parents working with children up to the age of eight.

In November 2022, the European Parliament approved rules to streamline and help increase gender balance on the boards of listed companies, with a 40% female shareholding in management positions and sanctions for non-compliance. Small and medium-sized companies with fewer than 250 employees are excluded from this rule. The directive entitled and currently recognised in the European Union is "Women on Boards" was approved 10 years after it was proposed and has a deadline for implementation at the end of June 2026. According to this directive, one of the requirements for companies listed on the EU stock exchange is to regularly report the situation regarding the proportion of men and women on boards each year to the competent authorities. There is the likelihood that not all companies will meet this target with certainty, which is followed by a list of measures that will be implemented in this direction. This information should be easily accessible on company websites.

Most empirical research analysing gender diversity in executive positions focuses on firm performance and outcomes. These issues are always in tangent with the supply and demand of

gender diversity on boards. There are various situations/studies, which show that women's ascension to executive positions is *directly conditioned* by women's access to training, qualification, accumulation of new knowledge from the moment they enter the labour market (the company should ensure the same conditions for women and men from the moment of workforce selection and inclusion of female employees in different departments of the organisation chart).

### 3. GENDER DIVERSITY TRENDS IN SOME OTHER EUROPEAN COUNTRIES

#### 3.1. SITUATION RELATED TO GENDER DIVERSITY IN BELGIUM

With reference to the rise and position of women in Belgian society, it is to be expected that we will find a clear, democratic trend of equal access to education as well as to various social, political positions and in various organisations that support the empowerment of women in all sectors of society. In May 2019, a new edition of the Belgian Corporate Governance Code (Code 2020) was published, which emphasises the importance of diversity in terms of *education, skills, age and gender*. The new Belgian Code also assigns the nomination committee (with reference only to medium and large companies in terms of size and operating in business sectors that presume a diverse workforce) the additional task of ensuring that there are adequate talent development and diversity strategies in place for *CEO succession*. Therefore the general Belgian law on this issue takes into account 3 main criteria:

- Firstly, the *training of the employee* (this results only from equal opportunities of access to university studies, masters, Ph.D. etc., for both segments of the workforce);
- Secondly, *the skills* that the employee has at the time of advancement to a particular executive position (this means skills that can only be obtained through a few years of work/effort of the person, job rotation, successive stages of on-the-job training and other similar tools that some MNCs provide);
- Finally, the law takes into account the *age of the employee* at the time he or she begins his or her ascent to the various "executive levels" and the assumption that by retirement age he or she could be approaching the position of CEO or even be selected by the "Board of Nominators" to hold this position for a reasonable period of time ( 5-10 years).

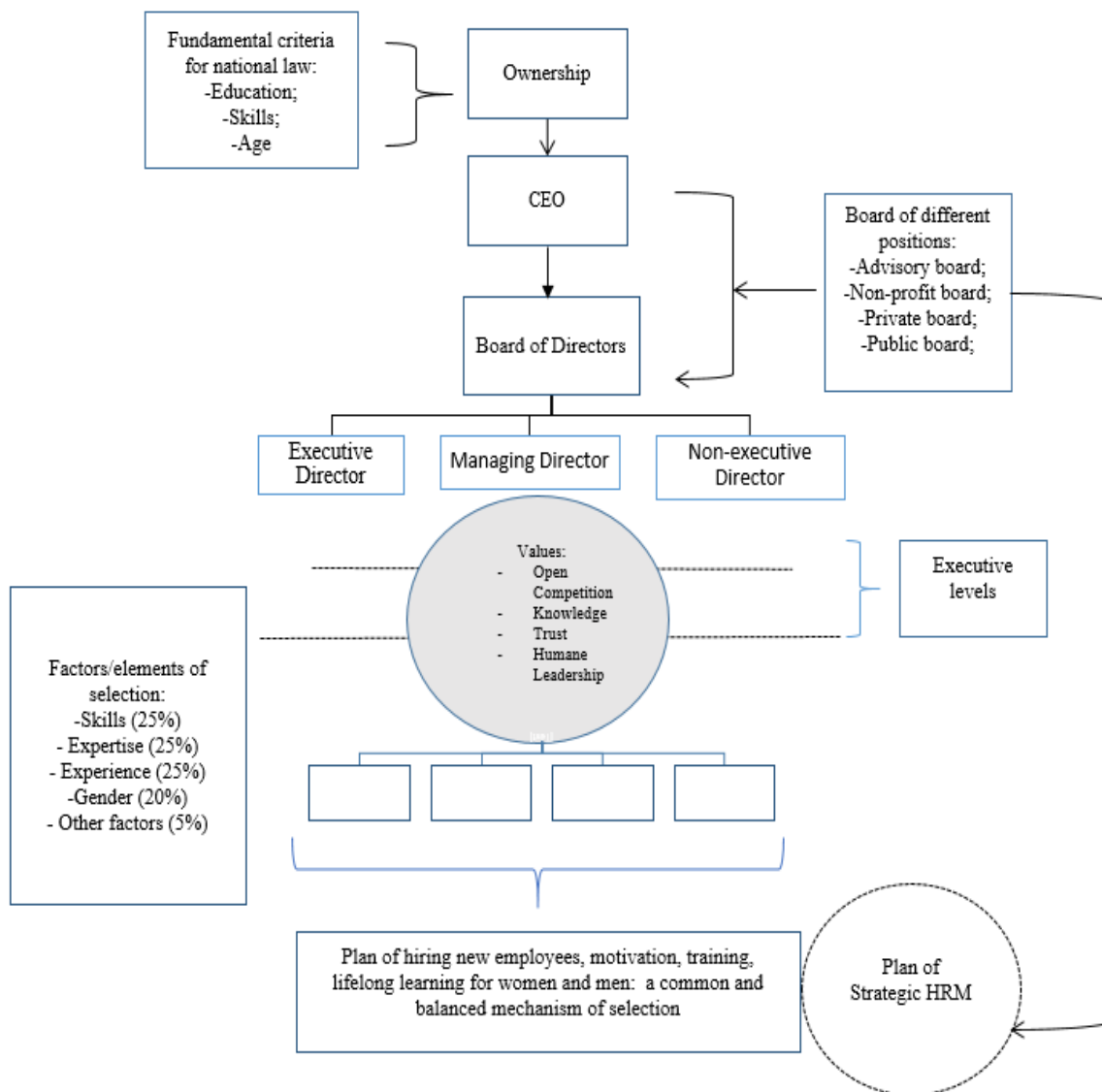
In terms of board succession planning, the 2020 Code states that each appointment or reappointment to the board and its committees should *create an acceptable mix of skills, expertise, experience and diversity*. Currently, it is worth remembering that this legislative rule imposed by the Belgian Corporate Governance Code has only just come into force since October 2022 and its effective application will depend on the social dialogue at the level of each company, the position of trade unions, other regulations that the European Parliament has recently brought on the same subject (by 2026 all 27 Member States, including Romania, must adopt a legislative rule that clarifies gender diversity for all medium and large companies in each country). Therefore, some generalisations can be made as a social norm imposed by the Belgian law on gender diversity, a principle which is also reflected in Directive 22/2381, recently adopted by the European Parliament (23 November 2022). These generalizations of the prior criteria that the company must have as well as the criteria/factors according to which to design a plan to support the promotion of women in executive positions becomes an extremely useful element for all the other 26 EU Member States, including Romania, in the context in which they will have to adapt their own national law to this trend of gender equality that is becoming more and more evident in all the developed countries of the world. For this reason, we present below in figure no. 5 a graphical summary that shows the idea of generalization of the three criteria on which the national law should be based (training, competence and age) as well as the four factors/elements that the law can impose in the direction of supporting the rise of women in various executive positions in the corporate world. (skills, expertise, experience, diversity). The presentation of the summary graph in figure 5 on gender balance requires some preliminary clarifications:

- ✓ Various existing studies on this topic (Adams, Ferriera 2008, Chiricova A.E. 2011, Valls-Martinez & Martin-Cervantes, 2020, House R. et al, 2004) are based on selective statistical data provided by institutions such as the US Bureau of Labor, the Institute for Gender Equality in Europe to which we refer, together with statistical data provided by EOWA, EPWN, CWDI etc. and others generally conclude that there is a clear trend of gender diversity in the corporate world in the major developed countries. By default, the study proposed by us brings some necessary clarifications on the criteria for substantiating national norms and factors/elements according to which a strategy/plan should be designed to ensure the promotion of both women and men to executive positions.
- ✓ In our study, we propose an empirical quantification of the 4 factors/elements/criteria required by the Belgian law as main factors/criteria (abbreviated from C1-C5) that should be considered by medium and large companies to support gender diversity in the coming years (from 2024 and beyond). The empirical quantification proposed by us refers to the following factors and/or criteria that can be considered by decision makers:
  - ◆ Factor/criterion C1: taking into account the competences that the employee must have (25% weighting);
  - ◆ Factor/criterion C2: expertise held by the employee at the time of promotion to an executive position (25%);
  - ◆ Factor/criterion C3: experience gained up to the date of promotion (25%);
  - ◆ Factor/criterion C4: gender diversity (20%);
  - ◆ Other factor/criterion C5: Each firm should take into account its field of activity, geographical dispersion, nature of work in main executive positions, etc. (with a weight of 5%);

By default, it can be deduced that these 5 criteria, respectively C1-C5, should become, by generalisation and as a source of inspiration, criteria against which the HR policy of all companies that responsibly consider improving gender diversity in their organisation chart should be oriented. It remains for each company, on a case by case basis, to define a number of 5 or more criteria with reference to the merit and ability of a person to be selected for executive positions (this ability to apply effective leadership after obtaining an executive position is in no way dependent on the person's gender, ethnicity, race, etc.).

- ✓ If a company in Belgium and/or in another EU Member State intends to openly, transparently and ethically apply the provisions of this legal rule on gender diversity, it must implicitly have a clear plan for attracting female employees from the recruitment and selection stage for the various positions/jobs as well as for pre-selection, training, qualification, continuous learning and motivation. The existence of a plan of the type we are advocating implies that the CEO and his team at the top of the organisation to actually, not declaratively, promote some key values as a core element of the organisational culture (values such as fair competition, knowledge, trust, humanistic leadership, etc.). Only in this way can it be hoped that in time a part of the company's workforce that are in the "female" category will be sufficiently motivated and demonstrate that they have the skills necessary for the CEO position in the same competitive conditions as the male workforce.





**Figure 3. Main criteria and factors associated with the Belgian law on gender diversity (2022 in MNCs**

Source: Author elaboration

### 3.2. ASPECTS OF GENDER EQUALITY IN OTHER EUROPEAN COUNTRIES

Earlier we have selectively referred to some studies and issues on gender diversity in European countries such as Belgium, Spain, etc which are relatively advanced in carrying out social reforms to fit into this trend of promoting women in political, social and corporate positions. Given the limited scope of a study of this type, it is understood that it is not possible to provide a full analysis of the subject under investigation. According to the CWDI study (2018), at the time of 2004 only about 9% of executive positions in listed companies were held by women to reach in 2018 a percentage of over 32% in all ``Women Board Directors of Fortune Global 200 companies``. This means that Europe is relatively advanced in adopting laws or social reforms to improve the overall representation of women in society (over the same period 2004-2008, out of 24 countries that adopted national laws favouring gender diversity, 17 countries were in Europe). The CWDI study shows that, in particular, France and Germany were among the most advanced countries where major, well-known and listed MNCs have already implemented distinct strategies for selecting, motivating and promoting women to different executive positions (the percentage of women on executive boards has increased very rapidly in major French and German companies, respectively from around 10-15% in 2004 to almost 50% in 2018, noting that we find MNCs such

as TOTAL, BNP Paribas, Societe Generale etc. including the CWDI study for 2018 is based on a 2017 McKinsey Institute report.

Even other European countries (UK, Italy, etc.) have a slightly better position with regard to gender diversity at international level as they rank ahead of the US in various rankings and well ahead of Japan. The realities and trends of gender diversity in the other two poles of economic power (America-Asia) are discussed in more detail in the next two sections of the study.

#### **4. GENDER DIVERSITY REALITIES AND TRENDS IN SUA**

##### **4.1. GENDER PAYMENT GAP IN US**

The analysis of gender diversity/balance in the American economy for the last two or three decades shows that only some companies/enterprises and especially at the expense of their own internal ROF-ROI rules mentioned by us have ensured a somewhat more balanced representation of women in top executive positions (*executive levels*). In the same sense, the situation in the American corporate world on this issue shows us that relatively rarely and rather as an exception to the rule we will find women managers in CEO positions at MNCs that are extremely well known internationally (as was recently the situation of IBM, led by Virginia M. Rometty for about 8 years, during which period the company achieved a very good performance, Annual Report, 2019). Over the entire period 2000-2022, major discrepancies (pay gap) remain between women's pay/compensation compared to men's compensation in "with positive earnings" firms. The data on the discrepancies between men and women in corporate America is based on Pew Research Center surveys, which can be used in conjunction with the US Bureau of Labor Statistics.

##### **4.2. GENDER BALANCE STUDIES IN AMERICA**

A study related to CEO compensation based on reports and studies by the Institutional Shareholder Services (ISS) group of companies and Stanford University concludes that the majority of CEOs are overpaid in relation to the responsibilities and performance they bring to companies (without distinguishing between men vs. women). CEO pay is not consistent across companies. They vary according to size, profitability and organisational complexity, and therefore it is to be expected that views on remuneration will be diverse and depend on which company is being evaluated. In November 2019 Stanford University published a survey of Americans' views on pay for performance. The average total CEO compensation (whether male or female) among companies in the S&P 500 (one of the FTSE (the Financial Times Stock Exchange Group) indexes along with the same group's Russell 3000 index) is \$12 million annually (both as salary and various bonuses, free shares, etc.). At the same time, according to a separate study on the same topic, according to the Russell 3000 Index (Russell 3000 Index, 2021) (American) companies, the average total CEO compensation was about 4.1 million dollars (this is for companies with a good market capitalization, etc.) Similar studies on American public opinion show that the majority of respondents (86%) believe that CEOs and/or various CEOs of large companies are overpaid (without distinguishing women vs. men).

The U.S. Census Bureau in one of its reports on the annual earnings of women and men compares the average earnings of women working full-time, year-round to the average earnings of men working full-time, year-round. The report found that the difference in income did not change much compared to 2020; in 2021 the ratio of women's and men's incomes was recorded as 0.837 and in 2020 the report showed a difference of 0.831.

#### **5. ACTUALITY OF GENDER DIVERSITY IN JAPAN**

According to studies on corporate leadership in Japan, companies in this region of the world are relatively behind European or American companies in supporting gender diversity. Existing studies on this topic on Japanese MNCs (Wakao Mitzuki, 2022, CWDI 2018, McKinsey 2007,

McKinsey 2020) show that, despite being developed countries with large nominal GDP per capita, the gender diversity situation is summarized as follows:

- ✓ Japan has adopted a law on equal opportunities for men and women since 1995, but the concrete results at the level of medium and large companies in this country are very modest with regard to the promotion of women in society and equal opportunities for women vs men. In the case of Japan, however, it should be mentioned that an extremely high proportion of the working population, around 40%, is made up of women in all categories of professions or jobs (in Japan there is only a symbolic percentage of the workforce coming from immigration). At the same time, although women hold more than 40% of the employed population, at the time of 2021 they hold less than 15% in senior management positions in medium and large companies. How can this atypical situation for a developed country be explained?
- ✓ A survey reported by IMB Japan called ``Nikkei, Womenomics Project Survey Findings``, published in June 2020, highlights the ``100 best companies`` for female workforce, implicitly highlighting which companies focus on training, preparing female managers for later executive positions in the same organizations. The same study conducted by IMB Japan was later supplemented/interpreted by McKinsey Japan (McKinsey, 2018) (it concludes that better communication and social support is needed for women to take on multiple roles in companies and social life.
- ✓ Also related to Japan are the studies and awards given by The Ministry of Economic, Trade and Industry, which together with the Tokyo Stock Exchange ranks companies that perform exceptionally well in terms of "encouraging women success in the workplace". One of the key/mainstream directions in Japan and other developed countries to support gender diversity is to constantly emphasise (including on the basis of recommendations made by the McKinsey consulting company) that it is necessary for ``Educated management`` to constantly communicate with employees at the bottom of the organisation chart that emphasising diversity (in general, on the basis of gender, race, ethnicity, culture, etc.) is a key element of the gender diversity strategy. ) and especially 'gender diversity' contributes directly to improved performance and sustainable growth of the corporation in the medium and long term. A second direction for supporting gender diversity is related to communication norms within companies and building a mentor-mentee relationship between men and women who already hold executive positions with young female employees who could be promoted to executive positions (they need to understand how women think and how they communicate as well as specific ways to be motivated).

## 6. CONCLUSIONS

Throughout history, femininity has literally evolved from a social perspective as well as from a political, legal and corporate perspective. Authors and sociologists have questioned the potential that women have in society, so from the current study we see that the female workforce began to grow after 1900, when women gained the right to vote and began to be increasingly represented in businesses, companies and social life. It should be mentioned that in business, in countries such as America, Europe and Asia, women are growing exponentially and significantly, this is demonstrated in studies and it is understood that there is a need to implement policies and strategies at company level to support the workforce in social life, economic life etc. Moreover, it should be mentioned that since the Second World War, organisations have been set up to adopt recommendations and create new institutions that rethink public policies in Western society, such as the UN, under the aegis of which the ILO was created. Also, at the beginning of our study we mentioned the fact that women belong to one of the social models studied by Hofstede, ``masculinity``, and therefore we would like to conclude that this model has improved as new political, social, economic and corporate situations have emerged, and towards the end of our study we point out that nations with a higher degree of masculinity praise the important achievements that

men achieve through competition and countries with a female predominance develop democratic, soft and sustainable socio-human relations.

It is said that women's development and excellence in top management positions is limited by their access to knowledge accumulation and training from the beginning of their careers. From current studies by the big consulting companies, McKinsey, Deloitte, EY, credible studies we note that companies in western countries such as Sweden, Belgium, Spain, Austria continue to achieve quantifiable targets to promote and accept the proportion of women on boards. It has also been found that there is a likelihood that a higher percentage of women on various boards and/or supervisory boards correlates with better financial performance of organisations.

Discussing the gender diversity issues that are present in the US and Asia, we conclude that there is a gender pay gap between women and men, something that still shows evidence that there has not been a major change in remedying this. In one of the Asian countries, namely Japan, there is a noticeable proportion of women constituting only 40% of the entire working population, and in executive positions only 15% of them.

Following the current study, we can state with certainty that the topic of gender diversity in society, i.e. in the corporate world, remains to be further analyzed; to study Hofstede's other 5 6D models which more or less are in direct/indirect relation with the ``masculinity`` model (which is directly related to the gender diversity/balance researched in our paper) and to follow the implementation at all levels of institutions with specificity in the access of women in top management positions, CEO.

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