

**UDK 330.95:005.95-055.2(4)"2020/2021"
005.95-055.2:303.71(4)"2020/2021"
(Original scientific paper)**

TEA JOSIMOVSKA*

KATERINA HADZI NAUMOVA-MIHAJLOVSKA**

ZORAN JANEVSKI***

AGIM RUSHITI****

**THE "GLASS CEILING" PHENOMENON AND WOMEN MANAGERS:
REPUBLIC OF NORTH MACEDONIA AND OTHER REGIONS IN EUROPE**

Abstract

A well-developed management structure is the backbone for the successful operation of any enterprise. The underrepresentation of women in managerial positions has been a persistent concern in the context of gender equality and economic development. This paper investigates the percentage participation of women managers in European countries and its potential connection to GDP per capita. Utilizing a comprehensive dataset comprising various European countries, we conduct a comparative analysis of the proportion of women in managerial roles across different economies with a special reference to North Macedonia. Additionally, GDP per capita data is incorporated to explore potential correlations between women's representation in management and economic prosperity. The analysis covers the following regions: Scandinavia, Nordic region, as well as Eastern, Western and Southern Europe. The analysis refers to two consecutive years, 2020 and 2021. The results indicate that the percentage participation of women managers and GDP per capita are inversely proportional in the Scandinavian region, the Nordic region, as well as Eastern and Western Europe, while the opposite conclusion applies to the countries of Southern Europe.

**Keywords: management, women managers, European countries,
GDP per capita**

JEL Classifications: J16, J7, N14

* MSc, Assistant at the Institute of Economics - Skopje at Ss. Cyril and Methodius University in Skopje, tea.josimovska@ek-inst.ukim.edu.mk

** PhD, Associate professor, Institute of Economics-Skopje, Ss. Cyril and Methodius University in Skopje, katerina@ek-inst.ukim.edu.mk

*** PhD, Full time professor, Institute of Economics-Skopje, Ss. Cyril and Methodius University in Skopje, zoran.janevski@ek-inst.ukim.edu.mk

**** PhD, Director of the Agency for Quality of Higher Education, agim_rushiti@yahoo.com

Introduction

In recent years, the topic of the position of women within the workforce, especially in the vertical classification of jobs, has become increasingly relevant. Hence, research related to women as a part of management and managerial positions receives more attention and significance in recent years as the number of women who manage to fight for higher working positions increases. However, despite this progress, they still face specific challenges and obstacles in achieving certain positions in organizations. Managerial positions at any level are mostly held by men, while women lag far behind in achieving at least approximate percentage representation of these job positions.

The purpose of the paper is an analysis of the percentage participation of women in managerial positions and its connection with the degree of development of the countries in the regions of Europe and Republic of North Macedonia. As an indicator of the level of development of the countries, the GDP per capita indicator is used. To achieve the research objective, the paper analyzes women managers and the term "glass ceiling" from a theoretical point of view. The second part is empirical analysis; first, analysis of the percentage representation of women managers and the development of the countries separately for each region in Europe and second a comparative analysis of the performance achieved by North Macedonia in relation to these regions to the same indicators.

1. LITERATURE REVIEW

In the last decade, the question of the position of women in organizations has become increasingly relevant as their share in the labor market increases. Namely, in 2021, women in employment in the European Union (EU) participated with 67.7%. Despite the fact that there is still a gap in employment between men and women, however, it has decreased in the last 10 years by a modest 1.9 percentage points (European Commission, 2022). One cannot ignore the fact that they still belong to a minority group, especially when it comes to decision-making positions. This phenomenon is known under the name "glass ceiling". The "glass ceiling" phenomenon refers to situations in which qualified individuals cannot advance in an organization due to discrimination. The most common reasons for discrimination are the gender or the race to which those individuals belong, so often when it comes to this phenomenon, it means discrimination against women within organizations. Also, "glass ceiling" indicates vertical discrimination within the organization.

There are several authors who have researched this topic, and each of them defines in a different way the criteria that indicate the existence of this phenomenon in a certain organization. Elacqua, Beehr, Hansen and Webster (2009) investigate this

phenomenon and define it as the inability of women in a certain organization to be placed in a top management position. Also, they include in their model two factors, namely, beliefs about interpersonal and beliefs about situational variables in the organization, which in turn, they connect with the perception that men and women are treated differently in general, which they ultimately connect and draw a conclusion about whether there is a "glass ceiling" in the organization. Other authors, on the other hand, expand this research and, in addition to these two factors, add the organizational culture in relation to gender, that is, whether the beliefs and stereotypes perceived by society affect the perception of women that they are treated differently, that is, that they are prevented from advancing (Babic and Hansez, 2021).

However, they generally define the "glass ceiling" phenomenon as discriminatory barriers that prevent women from advancing to more responsible and powerful positions in the organization, just because they are women (Li and Wang Leung, 2001). Based on previous research, it can be concluded that this phenomenon in terms of discrimination against women is especially present in managerial positions, in other words the percentage representation of women lags far behind men in these decision-making positions. This is exactly the main research question in the part of the empirical analysis in this paper.

2. EMPIRICAL ANALYSIS

2.1.Data and methodology

The development of one country can be measured through several indicators. According to IMF (International Monetary Fund), GDP per capita is considered as one of the basic indicators that show economic development, so for the purposes of this research, was taken as a measure of economic development. Also, for the research purpose, the gender equality index is included in the analysis and it is developed by the European Institute for Gender Equality, which measures this index every year for each EU country. The index is based on 6 domains that are included in the calculation, namely: work, money, knowledge, time, power and health, all of these are divided into subdomains and each one is calculated based on a group of indicators, so this index is calculated based on 26 variables.

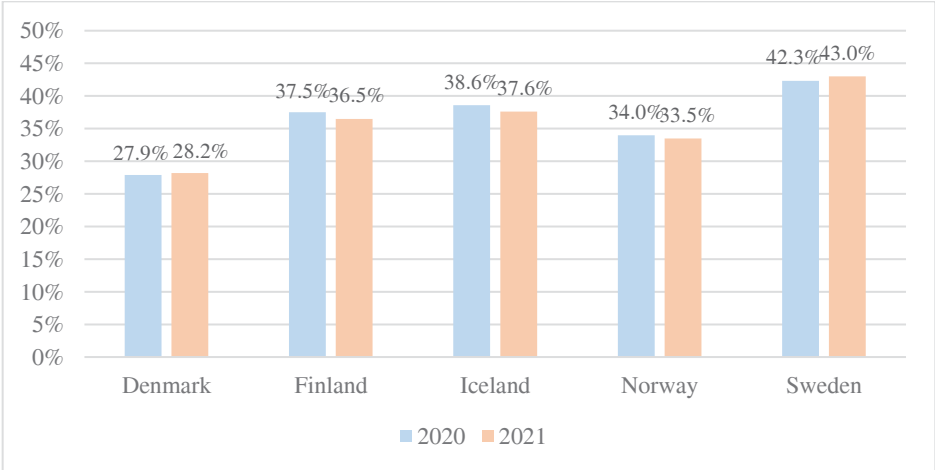
Also, the index can take a value from 0 to 100, were 100 means that that country has achieved full equality between women and men. Regions that are included in the analysis are: Scandinavia, the Baltic countries, as well as the countries of Eastern, Western and Southern Europe. The analysis refers to two consecutive years, 2020 and 2021, because at the time when the data for the research was collected, the last available data on the percentage

participation of women managers was for 2021. Data regarding the GDP per capita indicator is obtained from the database of the European Commission (Eurostat), while the data on the percentage of women managers in the total number of managers were obtained from the ILO (International Labour Organization). The methodology employed in this paper involves a comparative analysis of graphs to investigate trends and patterns across different countries. Through a systematic approach, the data is organized, cleaned, and preprocessed to ensure consistency and comparability. Subsequently, a variety of graph types, such as line charts and bar graphs are utilized to visualize and compare the indicators across countries. The goal of this methodology is to provide a comprehensive and nuanced understanding of the similarities and differences between countries.

2.2.Scandinavian countries

The Scandinavian region, also known as the Nordic region, is made up of five countries, namely: Denmark, Finland, Iceland, Norway and Sweden. The Scandinavian region is known for being considered a world leader in successfully maintaining gender equality (Dahlerup, 2011), and this is the main reason why this region of Northern Europe is included as a separate region in the analysis. Countries from other regions are even trying to implement the same policies in order to achieve greater gender equality and social systems as in the Scandinavian countries.

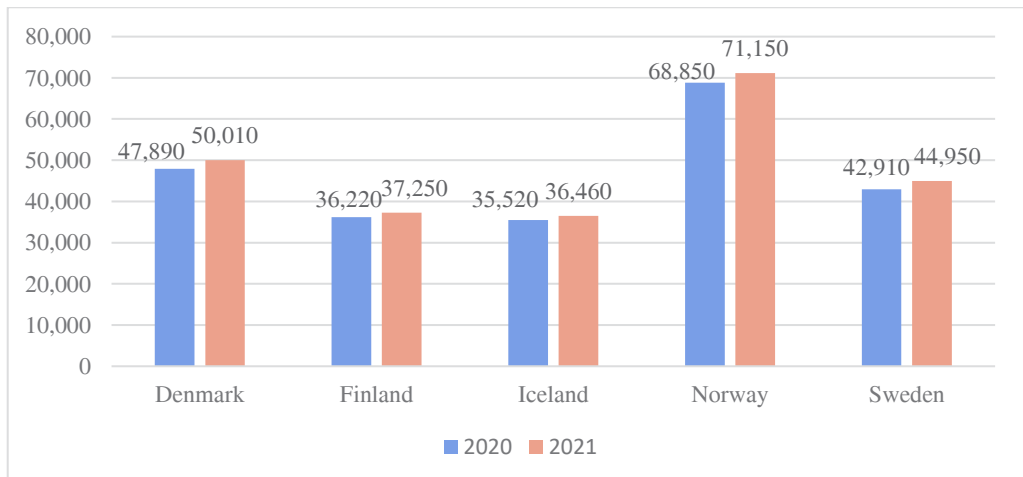
Graph 1: Percentage share of women managers in the total number of managers in the Scandinavian countries for 2020 and 2021



Source: ILO (International Labour Organization)

The data on graph 1 show the percentage share of women managers in the total number of managers for Denmark, Finland, Iceland, Norway and Sweden for two consecutive years, 2020 and 2021. As it can be seen from the graph, Sweden is the country that is on the first place in this region in terms of the participation of women managers with a percentage participation of 43% and 42.3% for 2021 and 2020, respectively. Meanwhile, Denmark is the country with the lowest percentage of female managers with 28.2% for 2020 and 27.9% for 2021. Although all these 5 countries are located in a region that is considered to have achieved a high level of gender equality between men and women, however, the figures from chart no. 1 indicate a slightly different results. First, the percentages in individual countries are far from the expected results, and there is also a wide spread in percentages between the best and worst performing country of 14.8 percentage points in the last analyzed year (2021). This poor statistic is mostly due to the fact that the Scandinavian countries have a large number of welfare-enhancing policies, generous benefit systems that reduce women's incentives for full-time work, paid (maternity) leave policies that encourage long breaks from work. All of these policies prevent women from reaching the top, thus creating a "glass ceiling" effect (Sanandaji, 2018). Graph 2 shows the level of development of the Scandinavian countries, i.e. GDP per capita in 2020 and 2021.

Graph 2: GDP per capita for Scandinavia, 2020 and 2021



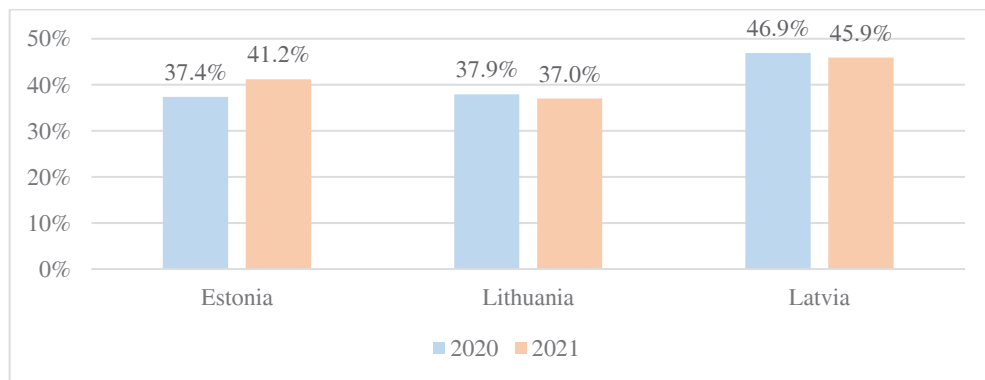
Source: Eurostat

It can be stated that although Denmark and Norway have the lowest percentage participation of women in management positions in 2020 and 2021, these two countries show the highest GDP per capita in these two years.

2.3. Baltic countries

Another region that is also known for high rates of gender equality is the Baltic States region. This region includes Estonia, Lithuania and Latvia. According to the gender equality index, the Baltic countries always are ranked high. According to this index for 2022 (calculations for 2022 are based mostly on data from 2020) Latvia had 61.4 index points, Estonia 61, and Lithuania 60.6 index points. They are arranged in this order in terms of the percentage participation of women in management positions as well (graph 3) for 2021, i.e. Latvia with 45.9%, Estonia with 41.2% and Lithuania with 37%.

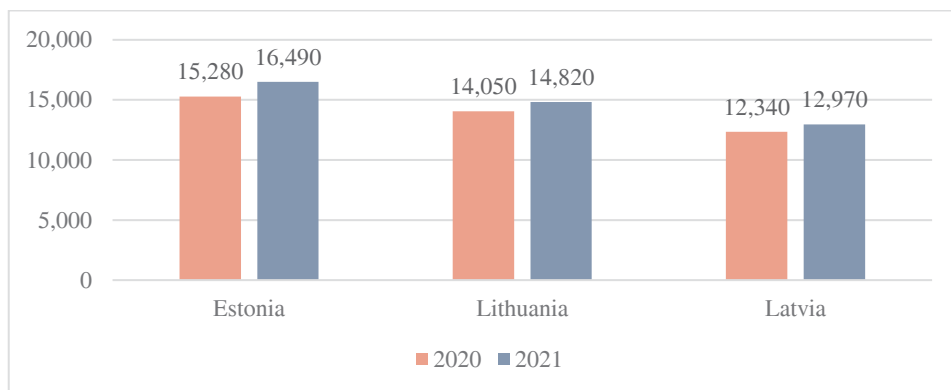
Graph 3: Percentage share of women managers in the total number of managers in the Baltic countries for 2020 and 2021



Source: ILO (International Labour Organization)

In terms of realized GDP per capita, Latvia, the country with the highest percentage of female managers, achieved the lowest GDP per capita, both in 2020 and 2021 (Graph 4).

Graph 4: GDP per capita in the Baltic countries for 2020 and 2021



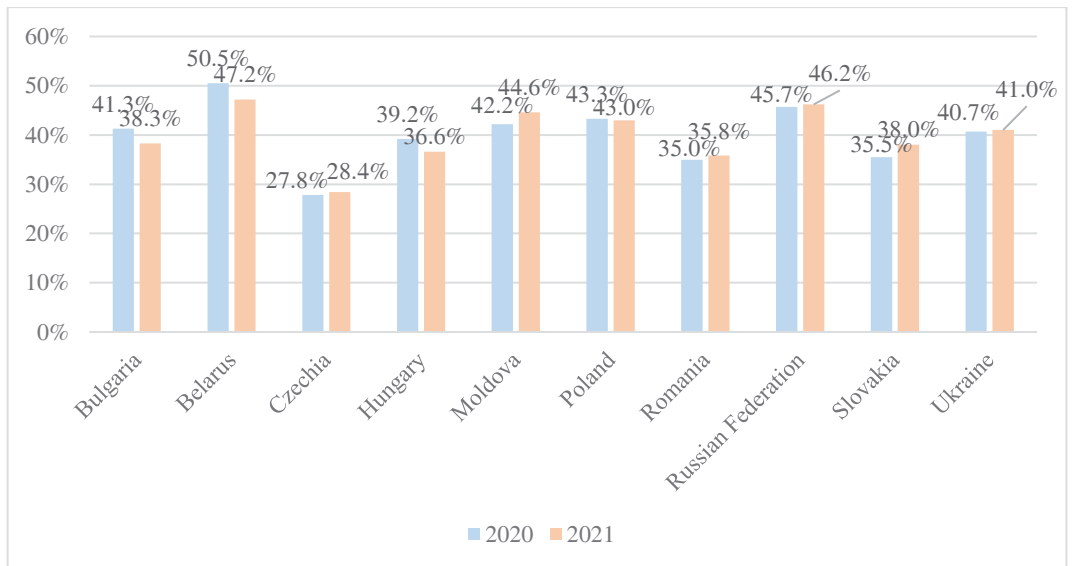
Source: Eurostat

2.4. Eastern and Western Europe

In Europe there is great diversity in terms of the development of individual countries. This means that the economic prosperity they offer varies from country to country. In general, the countries located in the eastern part of Europe are considered poorer and less developed countries compared to the western ones. This is the reason why these two regions are included as separate in the analysis. As countries from Eastern and Western Europe, the countries according to the division of the ILO will be included, that is: Bulgaria, Belarus, the Czech Republic, Hungary, Moldova, Poland, Romania, the Russian Federation, Slovakia and Ukraine from Eastern Europe, and from Western Europe the countries: Austria, Belgium, Switzerland, Germany, France, Luxembourg and the Netherlands. Otherwise, according to the Gender Equality Index, the eastern countries for which this index is calculated (EU member states) are below the average for the EU, which for 2022 (generally, calculated on the basis of data from 2020) is 68.6 index points, in more detail, Bulgaria 60.7, Poland 57.7, Czech Republic 57.2, Slovakia 56.0, Hungary 54.2, Romania 53.7. Meanwhile, the indices for the countries of Western Europe are above the average for the EU, namely: the Netherlands 77.3, France 75.1, Belgium 74.2, Austria 68.8 and Germany 68.7.

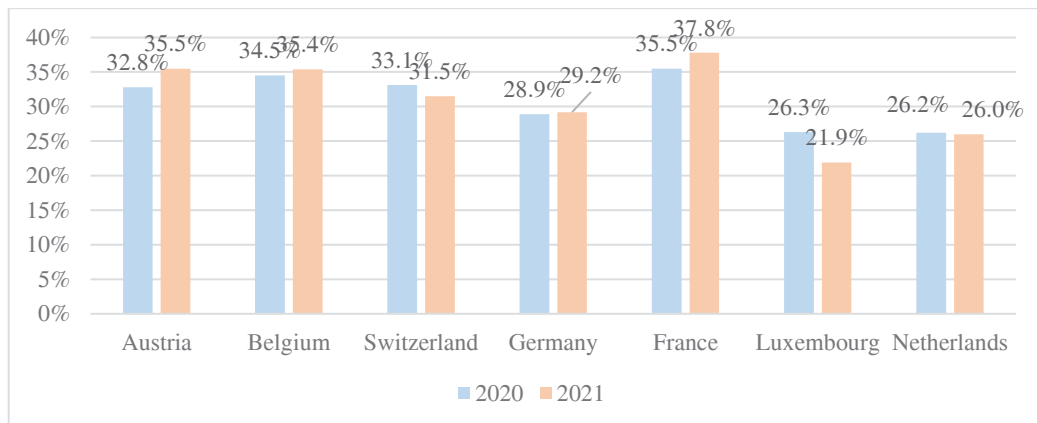
Interpreted according to these results, Western European countries have achieved greater equality between men and women compared to Eastern countries. However, according to the results of the percentage participation of women managers in the total number of managers (graph 5 and 6), Eastern countries have achieved a significantly higher representation of women in decision-making positions compared to western countries. In other words, the "glass ceiling" effect is more pronounced in Western countries than in Eastern countries, despite the fact that they are considered countries that have ensured greater gender equality following the index for gender equality.

Graph 5: Percentage participation of women managers in the total number of managers in the countries of Eastern Europe for 2020 and 2021



Source: ILO (International Labour Organization)

Graph 6: Percentage participation of women managers in the total number of managers in the countries of Western Europe for 2020 and 2021

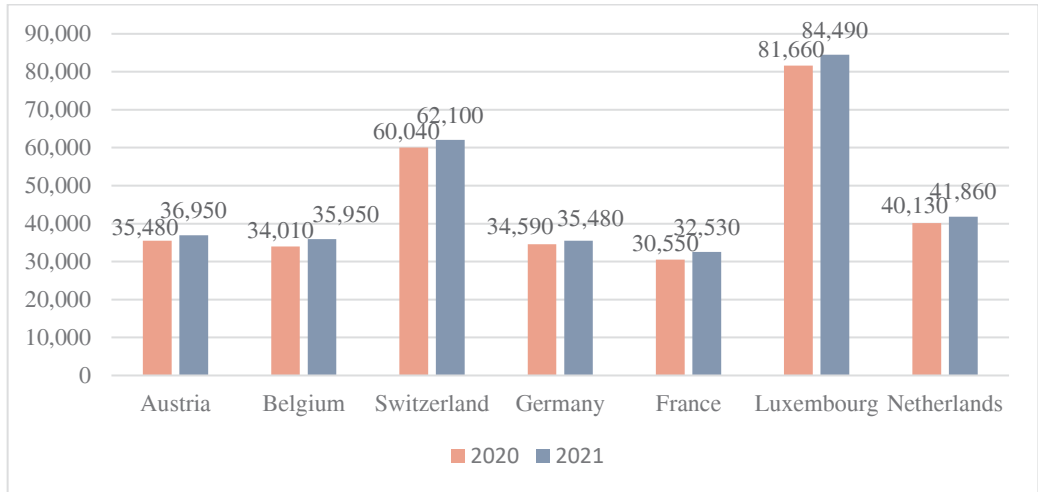


Source: ILO (International Labour Organization)

Regarding the macroeconomic indicator GDP per capita, in general, in Western Europe, countries that have shown a higher percentage of women in managerial positions have a lower level of GDP per capita. (Chart 7) For example, France, which in both analyzed years is the leader in terms of the percentage of female managers, is at the same time in the last place of this region following the indicator GDP per capita. In addition, Luxembourg, which ranks last in terms of female managers, showed an exceptionally high GDP per capita for both years. A similar conclusion applies to Austria and Belgium.

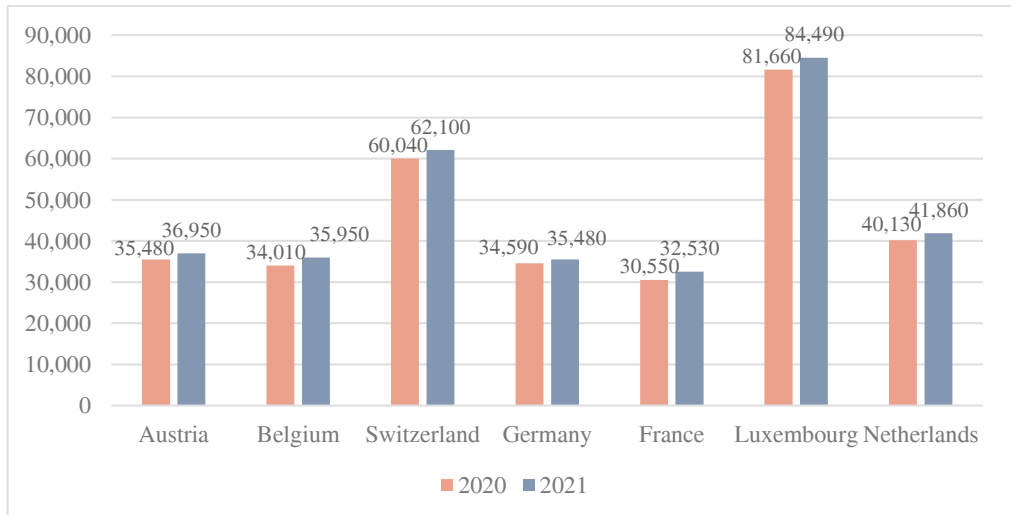
Of the Eastern countries, the Czech Republic has the highest GDP per capita, and in terms of the percentage of female managers, it is in last place in the region. Furthermore, Belarus, Ukraine and Moldova are at the top in terms of female managers, while in terms of GDP per capita they have achieved the lowest values in the region.

Graph 7: GDP per capita for Western European countries for 2020 and 2021



Source: Eurostat

Graph 8: GDP per capita for Eastern European countries for 2020 and 2021

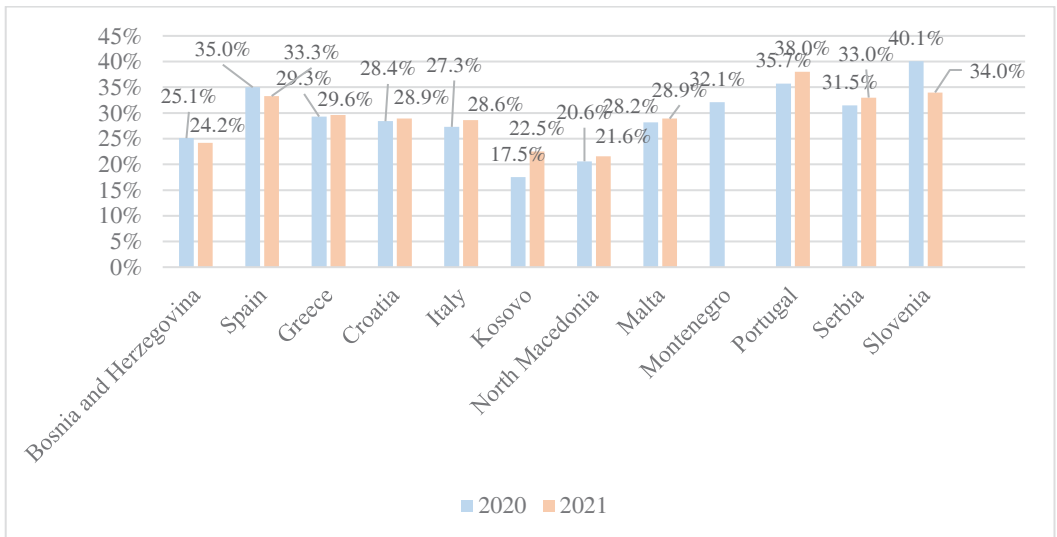


Source: Eurostat

2.5.Southern Europe

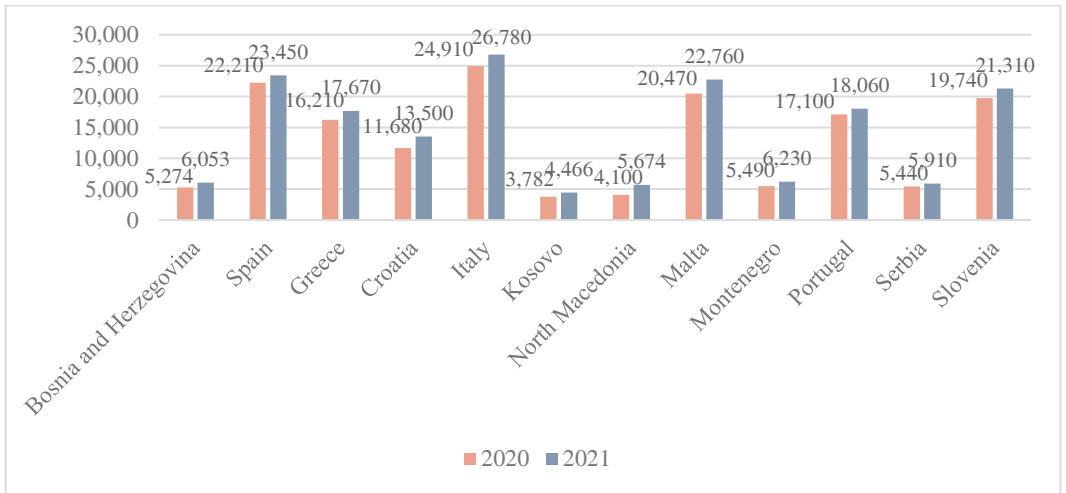
The last region covered in the research is Southern Europe. It includes the following countries: Bosnia and Herzegovina, Spain, Greece, Croatia, Italy, Kosovo, North Macedonia, Malta, Montenegro, Portugal, Serbia and Slovenia. Graph 9 also covers two years for each country, except for Montenegro, for which the last available data was 2020. Albania is completely left out of the graph because the last year for which data is available is 2019 and it is 34.1%, which leads to the conclusion that probably in 2020 and 2021 it is also in the same range as the rest of the Southern European countries. In general, Slovenia, Portugal, Spain, Serbia can be singled out as countries with more optimistic results for 2020 and 2021, while North Macedonia is at a much lower level compared to these countries, even in 2021 takes the last place following this indicator with 21.6% women managers.

Graph 9: Percentage participation of women managers in the total number of managers in Southern Europe for 2020 and 2021



Source: ILO (International Labour Organization)

Graph 10: GDP per capita for Southern European countries for 2020 and 2021



Source: Eurostat

The conclusions regarding GDP per capita in Southern Europe differ from other regions in Europe. As can be seen from chart 10, the countries that showed the least development measured by GDP per capita are at the same time the weakest in terms of the indicator of women in managerial positions. Such are: Kosovo, North Macedonia and Bosnia and Herzegovina. Contrary to them, Spain and Slovenia are countries that show good performance according to both indicators. From graph 10, it can be concluded that the Republic of North Macedonia is the weakest in the region in terms of percentage participation of women managers and at the same time it is among the weakest countries in terms of the GDP per capita indicator for the two analyzed years.

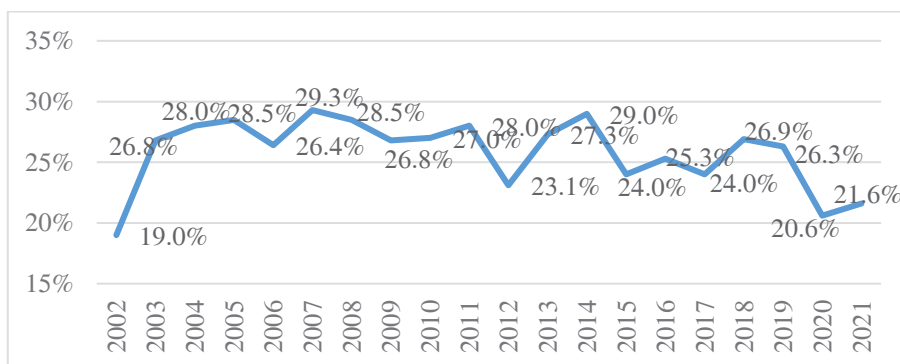
Unlike Southern Europe, in the rest of the regions we have a completely opposite conclusion, that is, the countries that showed the highest GDP per capita at the same time are also countries with the lowest percentage of female managers. Also, regarding the "glass ceiling" effect, a different conclusion is reached depending on whether it is based on the gender equality index or on the percentage participation of women managers. For example, the first place according to the gender equality index of the European Institute for Gender Equality belongs to Sweden with 83.9 index points, followed by Denmark with 77.8 index points. However, the percentage share of women managers in Sweden is lower than the share in Latvia, while in Denmark, the percentage share of women managers is only 28.2% (graph 1).

In other words, following the results of the percentage participation of women managers, the Scandinavian countries face a significantly more pronounced effect of the "glass ceiling" phenomenon than the Baltic countries, and this conclusion does not correspond if the "glass ceiling" phenomenon for these countries is analyzed only on the basis on the gender equality index. The same conclusion applies to the countries of Western and Eastern Europe, that is, following the index, the eastern countries have a more pronounced "glass ceiling" effect compared to the western ones, but if the percentage participation of women managers is analyzed, the conclusion is the opposite.

2.6. The "Glass ceiling" effect in Republic of North Macedonia in relation to other regions

This part of the research is dedicated to the Republic of North Macedonia in terms of women managers and the macroeconomic indicator GDP per capita compared to the performance of other regions. First of all, on chart 11 presents the entire available time series in relation to the percentage participation of women managers in the Republic of North Macedonia, in order to obtain a more comprehensive picture of the direction in which this indicator is moving. As can be seen from graph 11, in general the series has upward and downward movements during the entire analyzed period and no trend is observed in the analyzed period. In certain periods there are larger oscillations, and at the end of the series, what is devastating, although in 2021 there is a small increase compared to 2020, however, North Macedonia is almost at the same level as it was in 2002.

Graph 11: Percentage participation of women managers in the total number of managers in the Republic of North Macedonia (2002-2021)



Source: ILO (International Labour Organization)

In relation to the first region analyzed in this paper (Scandinavia), North Macedonia lags behind in the percentage of female managers, being the closest to Denmark (Macedonia 21.6%, Denmark 28.2% for 2021), but according to the GDP per capita indicator North Macedonia is far behind. For 2021, RSM achieves 5,674 euros of GDP per capita, while for the Scandinavian region the country with the lowest GDP per capita for the same year is Iceland, with 36,460 euros. While the country that achieved the highest GDP per capita for the same year is Norway of 71,150 euros, and in the same year it had only 33.5% female managers in the total number of managers.

The second region included in the analysis is the Baltic region. Compared to this region, North Macedonia also lags behind in the percentage of female managers and in terms of development. The country with the lowest GDP per capita in this region is Latvia for both analyzed years, with 12,340 euros and 12,970, for 2020 and 2021 respectively, which means that North Macedonia and Latvia have the smallest gap in terms of the difference in GDP per capita. While in the percentage of female managers, the gap between North Macedonia and Latvia is the largest for this region and amounts to 24.3 percentage points.

Compared to the countries of Eastern Europe which are considered as less developed, North Macedonia, unlike the previous regions, is similar in terms of development to certain countries, namely: Bulgaria (6,950), Belarus (6,188), Moldova (4,433) and Ukraine (4,098). But unlike North Macedonia, these countries have high rates of female managers: Bulgaria 38.3%, Belarus 47.2%, Moldova 44.6% and Ukraine from 41%. According to the percentage of female managers, North Macedonia is closest to the Czech Republic, which has 28.4%, but this country has the highest GDP per capita of the Eastern countries in Europe, at 18,020 euros.

In relation to Western Europe, all countries are more developed than North Macedonia measured by the macroeconomic indicator GDP per capita, which is expected given the fact that it is a developed part of Europe, but in terms of women managers, North Macedonia do not lags behind on such a large scale. For example, Luxembourg is only 0.3 percentage points better for 2021, but in the same year Luxembourg reached 84,490 euros GDP per capita. Also, according to the percentage of women managers from this region, Macedonia is similar to the Netherlands (26%), Germany (29.2%).

Conclusion

A well-developed management structure is the backbone for the successful operation of any enterprise. Despite the fact that according to many researchers, and following the index of gender equality especially in the more developed countries of Europe, it was expected that the representation of women in these managerial positions is at a satisfactory level, however, this research gave the opposite conclusion. The Scandinavian countries are considered to be the leaders in Europe in terms of gender equality following the Gender Equality Index, however, apart from Sweden which may have a slightly better score, the rest of the countries have a very low percentage of female managers. In the same direction, Western European countries, which are far more developed than Eastern countries, generally have a lower level of female managers.

In terms of the degree of development of the countries, the countries that showed the highest GDP per capita in Scandinavia, the Baltic countries, Western and Eastern Europe are the countries that also have the lowest percentage of women in management positions. This leads to the conclusion that perhaps the number of women managers for the countries of these regions and their development are inversely proportional. Only for the countries of Southern Europe, the opposite conclusion was reached. There, the countries with the lowest percentages of female managers were also the least developed. Hence, conclusions cannot be generalized to all countries from these regions even they may differ not only between regions but also between individual countries within the same region.

Within the region where it is located, North Macedonia has the lowest percentage of women in managerial positions, and at the same time, in terms of development, it is only better than Kosovo. In relation to other regions, there are no countries that have achieved similar performances in terms of the number of women managers and at the same time similar development of the country. In other words, there are countries from other regions that are similar in terms of GDP per capita to North Macedonia, but have high percentages of female managers, or else have a similar representation of female managers, but are far more developed in terms of GDP per capita. This is probably also a result of different factors affecting GDP per capita in different regions and countries.

Based on this research, it can be concluded that despite the fact that certain countries are considered more developed and have achieved a higher level of gender equality, the "glass ceiling" effect is still present and at an unexpectedly high level.

References

- Babic, A. and Hansez, I., 2021. The glass ceiling for women managers: Antecedents and consequences for work-family interface and well-being at work. *Frontiers in psychology*, 12, p.618250.
- Dahlerup, D., 2011. Women in Nordic politics—a continuing success story? *Gender and Power in the Nordic Countries*, pp.59-86.
- Elacqua, T.C., Beehr, T.A., Hansen, C.P. and Webster, J., 2009. Managers' beliefs about the glass ceiling: Interpersonal and organizational factors. *Psychology of women quarterly*, 33(3), pp.285- 294.
- European Commission (2022). Women's situation in the labour market. [Online] commission.europa.eu. Available at: https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/gender-equality/women-labour-market-work-life-balance/womens-situation-labour-market_en (accessed 30.06.2023)
- European Institute for Gender Equality. (2023). Gender Equality Index | 2022. [Online] Available at: <https://eige.europa.eu/gender-equality-index/2022/EE> [Accessed 02.06.2023].
- International Monetary Fund <https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/gross-domestic-product-GDP#:~:text=GDP%20is%20important%20because%20it,the%20economy%20is%20doing%20well> (accessed 31.07.2023).
- Li, L. and Wang Leung, R., 2001. Female managers in Asian hotels: profile and career challenges. *International journal of contemporary hospitality management*, 13(4), pp.189-196.
- Sanandaji, N., 2018. The nordic glass ceiling. *Cato Institute Policy Analysis*, 835.