

Perceptions of Hiring and Promotion Practices of Male and Female Executives in South and Southeast Asia: A Statistical Analysis

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Abstract

All over the world, since 1970s' a gender revolution has been sweeping the corporate organizational structure and females have joined the workforce in unprecedented numbers. Women represent more than 40 percent of the world's labor force and half the world's population. Business enterprises, government and other organizations have over the last three decades committed themselves to policies and programs to advance females. Recently, Japan also passed an equal opportunity law. There is no question that compared to earlier decades, women today are better educated and hold more jobs all over the world. Companies and governments have started to recognize the management style that women bring to the professional world and which is quite different than that of men. However, females hold less than 5 percent of the top jobs in business corporations all over the world. In the most powerful organizations, the proportion to top positions going to women is generally two to three percent.

Our study, based on a survey of male and female managers in India and Hong Kong, attempts to find to what degree the glass ceiling exists in the two Asian countries. India being a big country and is the largest democracy of the world. Hong Kong, on the other hand, is a small country where free market has prevailed for almost 100 years.

Our analysis is based on 167 Hong Kong and 171 Indian executives/managers responses. The findings of the statistical analysis are interesting and suggest that there is statistical significant differences in male and female managers' perceptions about hiring and promotion practices. For example, in both the Asian countries a large proportion of females and males believe that in their organizations, employment is based on merit and not on gender. However, women and men also perceive that pregnancy makes women less desirable employees than men. On inter-country comparison, there is no difference in female perception in both the countries. However, for answer to both of these issues the response of Indian male managers compared to Hong Kong male managers is of significantly larger proportion. In addition, statistical results also imply that there are statistically significant differences between the views of the Indian and Hong Kong executives/managers on other issues too.

1. Introduction

Since 1970s' a gender revolution has been sweeping the corporate organizational structure and women have joined the workforce in unprecedented numbers. Women represent more than 40 percent of the world's labor force and half the world's population. Governments, enterprises and organizations have over the last 30 years committed themselves to policies and programs to advance women. Women make up 31 percent of the official labor force in developing countries and 46.7 percent worldwide [1]. Also, rural women produce more than 55 percent of all food grown in developing countries [2]. History shows that women have also proved to be successful managers and owners of businesses. In 1996, women held 35.1 percent of professional posts in the United Nations Secretariat including 17.9 percent in the senior management.

Between 1987 and 1996 in the U.S.A there was a 78 percent increase in companies owned by women [3]. In fact, American women now own one-third of all the United States' businesses that employ about 26 percent of the nation's workforce [4]. Also, in nine years, 1988-1996, sales in these businesses jumped 236 percent. According to another study, women-owned businesses in America continue to create more jobs than the Fortune 500 U.S. firms worldwide. This is an impressive achievement. These facts strongly document that women-owned businesses are an increasing potent economic force. The success stories of professional and businesswomen are not only concentrated to

U.S.A, it is a world trend. In India, there is a new group of self-employed women who own and run their business very profitably and with remarkable elegance. The self-employed Women's Association Bank of India makes loans to "questionable risks" but it has ninety-six percent repayment rate. In Malaysia, the new generation of businesswomen is very much a reality. Similar facts are for women owning successful businesses in Bangladesh.

There is no question that compared to the earlier decade, women today are better educated and hold more jobs worldwide. Companies and enterprises have started to recognize the unique characteristics, attitudes, behaviors, and management style that women bring to the professional world and which is different than that of men. Few companies have started debates on more, "flexible managerial styles approaches with a view to maximizing human resource utilization." The catch phrase of modern management gurus is "why can't a man be more like a woman?"[1]. In a recent book from the Penn State University Press, management gurus claim to be revaluing feminine "soft skills" as qualities necessary for success in business in this age [1]. Part of the reason for this change in the attitude is the movement of global competitiveness. The growing interdependence of national economies has created a demand for sophisticated managers who are skilled in working with people of other cultures and who understand international business.

In these days, experts believe in greater numbers that women possess a unique "interactive management" skill that needs to be utilized fully in the organizations of the future if the economies of tomorrow want to be prepared for competing in the 21st century. Aburdene and Naisbitt in their book entitled "*Megatrends for Women*" predicted that 1990's would be "the decade of women as leaders in revitalizing business and inspiring competition in the new global economy"[5]. Now in an increasing number researchers believe that the so - called minorities- women and Hispanics are becoming a significant part of active labor force in the United States and therefore they no longer can be denied access to leadership [6]. Further it is believed that the number of women leaders in the next century will eventually reach a critical mass [6]. The data from the U.S. Labor Department of Statistics, estimates that American women will account for 62 percent of all net civilian workforce between 1990-2005. The United Nations' data also predicted that by the year 2000 there would be as many women employees in the world as men in many industrialized Nations [7,8,9].

The above predictions may be true, yet the current trend does not paint a promising future for senior managers. Statistics reveal that higher the position, the more glaring is the gender gap [10,11,12,13]. The ILO report questions if the "glass ceiling," a term coined in "the United States in the seventies to describe the invisible artificial barriers created by attitudinal and organizational prejudices barring women to executives jobs," will ever be broken [14]. According to this report, the glass ceiling is still very much in tact. There are many other revealing statistics that support the statement of the ILO Report.

Females hold less than 5 percent of the top jobs in corporations all over the world. In the most powerful organizations, the proportion to top positions going to women is generally two to three percent. "One of the troubles is that old rules about women's role are gone and there are no new ones to replace them." Karin Klenke [6], in her book "*Women & Leadership*" states that even though, it is no longer politically correct to be overtly gender biased, subtle forms of discrimination continue to exist. According to a report based on a meeting at the ILO headquarters in December 1997 on, "Breaking through the Glass Ceiling," it was observed that, the major underlining factors for discriminating against women and holding them back from attaining higher level jobs, were social attitudes, cultural biases and prejudices of males [15].

There are a number of additional interesting and striking statistics on women around the globe that support the above statements. According to the United Nations publications on "women challenges of year 2000," "women constitute half the world's population, perform two-thirds of the world's work, but receive only one tenth of its income and own less than one-hundredth of its property" [16]. In the largest and most powerful organizations, the proportion of top positions going to women is generally 2 to 3 percent [16]. A survey of 70,000 German companies, in 1995, reported that only 1 or 2 percent of board members and top executives were females. In the U.S., women in 1996 held just over 2 percent of the higher-ranking corporate positions of the 500 largest companies (of Fortune 500). A number of women managers all over the world have increased at the lower and middle level positions, in non-strategic sectors such as human resources, personnel and administrative fields. It is the nature of these positions that do not allow women to reach to the top because in these sectors, the positions become dead end after sometime. ILO report confirms that the nature of women's career paths block their progress to the top positions. According to ILO, the classification of "administrative and managerial" jobs is deceptive as it includes legislative officials, administrative officials, and managers that are concentrated mainly in the lower and middle level of management. In other countries and especially Asian countries, the situation is worse. For example, in Sri Lanka 48 percent of women are in the total labor force but

only 17 percent of managerial level jobs are with the females. In Japan, 41 percent of women are in the labor force whereas females hold only 9 percent of administrative positions. In India the number of females holding administrative and managerial jobs is two per one hundred economically active men. A similar situation exists in Hong Kong.

The ILO report aptly sets the directions for future women managers. According to this report, “a watershed change from within the corporations is needed” that requires a change in the structure of the organizations and the attitudes and cultural biases of the male and female managers. The “watershed change” implies, “creation of workplaces which are more dynamic, flexible, value-diverse, people oriented and family-friendly”. Already new management structures and work roles involving restructuring, downsizing and decentralization in the bid to be more globally competitive have started. However, one of the greatest challenges that remain to be faced is, “how to make the structures and dynamics within organizations more conducive and sensitive to gender equality concepts and practice” [14]. One can create organizational structures on paper but it is impossible to transform the hearts, the “mind set” attitudes, the prejudices and cultural biases, that are ingrained for centuries in many of the autocratic, aggressive and stereotyped males. Without such a transformation of human minds, a “watershed change” within firms and enterprises is not possible. The organizational dual layered structures on paper will not work and women executives will, “in the years to come, continue to experience” glass ceilings” to attain top executives and “glass walls” to reach to the top.

2. Important Issues and Data

Our study’s analysis is based on data collected by a survey questionnaire. This paper focuses on examining the data for two Asian countries- Hong Kong and India and evaluate if statistically there is any significant difference in responses in these countries. In addition, we also investigate if statistically male and female think significantly different or alike. Thus the attempt is to find out to what degree the glass ceiling exists in the two countries and how much are the differences if any. India is a big country and is the largest democracy of the world. Hong Kong on the other hand is a small country where almost for one hundred years under British control a free market system has prevailed. As pointed out above the data were collected through a questionnaire. In India, personalized letters with a questionnaire and an offer to provide an Executive Summary were mailed to those on the mailing list of the All India Management Association. In Hong Kong, the students of Ohio University program distributed and collected the questionnaires from various organizations. We received 167 completed questionnaires in India and 171 questionnaires in Hong Kong.

3. Analysis

In this paper, our analysis of the data collected focuses on two key issues that are as follows: (i) hiring practices, promotion and advancement, and (ii) equity in salary and reward. For Hong Kong and India, each of these issues is compared and discussed in the subsequent sections. It may be pointed out that our survey deals with many more issues but due to limitation of space and time we limit our presentation to the results dealing with the above two issues.

3.1 Hiring Practices

In Table 1, perceptions of male and female managers with respect to hiring practices of corporate India and Hong Kong appear to be very similar. However, statistically speaking, some of the perceptions of the two genders in both the countries are significantly different. To a great extent in India, a significantly higher percentage of male perceive that employment in their companies is based on merit and not gender. In both the countries, both male and female also believe that pregnancy makes women a less desirable employee to recruit. In Hong Kong, there is statistically significant difference between the male and female proportion. For example, compared to female, a smaller percentage of male in Hong Kong feel that pregnancy make a female a less desirable employee. However, merit is the most important criteria for recruitment. In India, significantly larger proportion of male compared to female, agree with the merit question. Only a small group (less than 5% in India and 18 % in Hong Kong) thought that women are hired to stay away from legal troubles, or to appear to be a good corporate citizen. Statistically, there is no difference between two genders in both the countries. Next, are the responses significantly different in Hong Kong and India? To answer this question, we provide z test statistics in column (4), Table 1. An examination of figures in column (4) would convince a reader that compared to Hong Kong a significantly higher proportion of male in India agree with the question of merit based employment and a less desirability of female employee due to pregnancy. It is also interesting to note that for both these questions Hong Kong and Indian females do not differ in their opinion.

Table 1 Hiring Practices in Hong Kong and India
(Percentage respondents agreeing to the statement)

Statement	HONG KONG	INDIA	DIFFERENCE+ (Hong Kong-India)
(1)	(2)	(3)	(4)
1. This organization employs people based on merit not gender.	78.8 (81.0) [-2.2]	89.9 (79.3) [10.6]**	-11.1** (1.7)
2. In this organization, female are only hired or promoted because they are qualified.	13.6 (10.5) [3.1]	6.1 (1.7) [4.4]*	9.2** (8.8)**
3. In this organization, females are hired or promoted to stay out of trouble.	15.1 (18.1) [-3.0]	5.1 (3.4) [1.7]	10.0*** (14.7)***
4. This organization hires or promotes females only to appear to be a good corporate citizen.	12.1 (16.2) [-4.1]	8.0 (6.9) [1.1]	4.1** (19.0)***
5. The possibility of pregnancy makes female less desirable employee than men.	63.6 (75.2) [-11.6]**	80.0 (74.1) [5.9]	-16.4*** (1.1)

Notes: First figure is for male respondents, the second figure in parentheses is for female respondents and the third figure in square parentheses is difference between male and female response within the same country .

+ The figures in this column indicate the difference between Hong Kong and Indian respondents.

*** represents statistically significant at least at the 1 % level.

** represents statistically significant at least at the 5 % level.

* represents statistically significant at least at the 10 % level.

Table 2 Encouragement For Advancement of Females in Hong Kong and India
(Percentage respondents agreeing to the statement)

STATEMENT:	HONG KONG	INDIA	DIFFERENCE (Hong Kong-India)
(1)	(2)	(3)	(4)
1.This Organization encourages females to assume leadership roles.	46.1 (51.0) [-4.9]	60.6 (62.1) [-1.5]	-14.5** (-11.1)*
2. This organization promotes/advances people based on merit and achievements, not on gender .	70.2 (41.8) [28.4]***	90.9 (72.4) [18.5]***	-20.7*** (-30.6)***
3. In this organization, there are few barriers to females' advancement to high managerial or executive positions	43.9 (56.8) [12.9]**	62.6 (63.8) [-1.2]	-18.7*** (-7.0)**
4. This organization seeks to increase the number of females in executive and senior administrative positions.	28.8 (29.5) [-0.7]	27.3 (36.2) [-8.9]	1.5 (-6.7)**

Notes: First figure is for male respondents, the second figure in parentheses is for female respondents and the third figure in square parentheses is difference between male and female response within the same country.

+ The figures in this column indicate the difference between Hong Kong and Indian respondents.

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As regards statement number 2, 3 and 4 Indian male and female managers' responses are significantly lower compared to their counter parts in Hong Kong. This implies that in India there is much less stigma about hiring female managers compared to Hong Kong.

3.2 Encouragement/Advancement of Females to Managerial Positions

In Table 2, perceptions of male and female managers regarding encouragement/advancement of women in corporate India as well as in Hong Kong differ significantly. In India, more men (91%) than women (72%) agree that the promotions are based on merit and not on gender. In Hong Kong the corresponding percentages are 70 and 42. It is revealing that only in Hong Kong the females significantly differ regarding barriers to females' advancement to managerial or executive positions. The above two facts suggest that females in both the countries feel that there is bias in the work place at least for advancement. In other areas both male and female managers in both the countries do agree.

An examination of figures in Table 2, column (4) also implies that all most all responses of both male and female Indian managers are significantly higher compared to Hong Kong managers. This would suggest that on the whole the female managers in India perceive that they have better work environments than Hong Kong female managers.

3.3 Equity in Work & Reward

Even though, in Hong Kong as well as in India, both male and female managers perceive that employees are hired based on their qualifications, merit, and accomplishments, never the less gender becomes an important consideration during salary raises, promotions or advancement decisions. But regarding equity issue, in Table 3 female in Hong Kong significantly differ with men only on the question of management style. However, for Indian managers facts are quite revealing since the difference between male and female responses is statically significant. In column 3, Table 3, more Indian women believe that they must work harder than men, are paid less than men for the same qualification, are forced to prove their competence all the time, and to succeed in the corporate world, must develop management style which is comfortable to men. Even at senior level, her status as women does not become irrelevant; she continues to be perceived as "women" who needs to "prove" her worth while men are assumed competent till proven otherwise. However, we were expecting these percentage values of responses for male and females to be reversed. The way these percentages for India came out in our survey suggest that men expect more from women while women are underestimating these expectations – which may not be good for their careers in the long run.

From column 4 of Table 3 for equity issues, it is clear that there is a significant difference between responses of Indian and Hong Kong managers. However, these differences are not in the same direction for all the equity issues. For example for statement 2, 4 and 7 the responses of Indian managers have significantly higher value compared to Hong Kong Managers. On the other hand, Hong Kong managers' response to the question of performance expectation of females is significantly higher than the Indian managers (statement # 8).

Overall, one may conclude from these statistics in Table 3 that female managers are more satisfied with compensation, and reward in India than in Hong Kong. More over Indian female managers in larger proportion feel that gender is not an issue in their place of work.

4. Summary and Conclusions

In today's global environments, gender has become an important issue in corporate world. As you know, last year Japan also enacted equal opportunity act. Now, in an increasing number of gender related complaints is being faced by Japanese businesses and government. Hong Kong and India are not along in struggling to minimize the gender problems in the work place. While in Hong Kong and India, there are some similarities; there are also significant differences in the perceptions of male and female managers in several key areas. Our study found that:

- In both the countries, a large proportion of females and males believe that in their organizations, employment is based on merit and not on gender. However, women and men also perceive that pregnancy makes women less desirable employees than men. On inter-county comparison, there is no difference in female perception in both the

countries. However, for answer to both of these issues the response of Indian male managers compared to Hong Kong male managers is of significantly larger proportion (Table 1, rows 1 and 2).

Table 3 Equity Issues among Genders in Hong Kong and India
(Percentage respondents agreeing to the statement)

STATEMENT:	HONG KONG	INDIA	DIFFERENCE+ (Hong Kong-India)
1	2	3	4
1. In this organization , females must work harder than men to attain recognition.	25.8 (32.4) [-6.6]	19.2 (44.8) [-25.6]***	6.6 (-12.4)**
2. In this organization , females' professional achievements are recognized with compensation and rewards equal to those that men receive.	72.3 (72.4) [-0.1]	93.9 (84.5) [9.4]**	-21.6*** (-12.1)**
3. In this organization , once a female achieves an executive or senior administrative or management position her status as a female is irrelevant.	60.6 (64.7) [-4.1]	70.5 (56.9) [13.6]**	-9.9* (7.8)
4. The culture of the organization is such that no one feels disadvantaged; competent, not gender is an issue	51.5 (48.1) [3.4]	80.8 (70.7) [10.1]*	-29.3*** (-22.6)***
5. In this organization , men are assumed to be competent until they prove their incompetence.	34.8 (27.9) [6.9]	24.2 (34.5) [-10.3]*	10.6* (-6.6)
6. In this organization , over and above again females need to convince those with whom they work that they are competent and should be taken seriously.	39.8 (37.5) [2.3]	21.2 (43.1) [-21.9]***	18.6*** (-5.6)
7. In this organization , men and females get paid same for similar qualifications and experience.	66.7 (65.4) [1.3]	88.9 (77.6) [11.3]*	-22.2*** (-12.2)**
8. To be successful, females managers need to consistently exceed performance expectations more often than men.	67.7 (61.0) [6.7]	48.5 (37.9) [10.6]*	19.2*** (23.1)***
9. To be successful, female managers need to develop a management style with which male managers are comfortable.	43.9 (57.1) [-13.8]**	40.4 (68.9) [-28.5]***	3.5 (-11.8)*

Notes: First figure is for male respondents, the second figure in parentheses is for female respondents and the third figure in square parentheses is difference between male and female response within the same country.

+ The figures in this column indicate the difference between Hong Kong and Indian respondents.

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** represents statistically significant at least at the 5 % level.

* represents statistically significant at least at the 10 % level.

- As regards equity issues, in India females and males significantly differ in their perceptions. However, in Hong Kong there is no significant divergent in responses of men and women managers. In addition, almost in all the issues Indian managers give significantly higher responses than the managers in Hong Kong (Table 3).
- Although, a large proportion of males and females believe that promotion and advancement is based on merit and not genders. However, in both the countries, compared to males, a significantly lower proportion of female agrees with the above promotion and advancement issue. Both male and female proportion of responses in India is significantly larger than in Hong Kong (Table 1, row 2).
- More than 62 percent male and female manager felt that there are significant barriers to women's advancement in their organizations and organizations do not encourage women enough to assume leadership positions. However, it

is interesting that in India there is no significant difference in responses of two genders. On the other hand in Hong Kong, a significantly higher proportion of females compared to males, feel that females have barriers to advancement in their organization. On inter-county basis one finds that the proportion of responses in India is significantly larger than in Hong Kong (Table 2, row 3).

- From the responses of male and female, it may be inferred that in India female observe inequity in pay in corporate India. While 77% women agreed that they are paid equal to men for the same qualification, 89% men thought that women are paid equal to men. As regards equity issues, in India females and males significantly differ in their perceptions. However, in Hong Kong there is no significant divergent in responses of men and women managers. In addition, almost in all the issues Indian managers give significantly higher responses than the managers in Hong Kong (Table 3).
- Regarding pay, the difference in the responses of two genders is statistically significant. However for Hong Kong, statistically there is no difference in male and female response. Relatively, more Hong Kong managers compared to Indian managers feel that there is inequity in pay of female managers. This difference in two countries is statistically significant (Table 3, row 7).

5. Recommendations

People are an organization's most important assets. Both men and women need to be effectively managed and nurtured to utilize their special talents. We found that there are significant differences in perceptions between male and female managers on key gender issues in corporate Hong Kong, as well as, India. To develop a healthy, creative and learning community within a corporation, such perceptual differences need to address aggressively. We recommend:

- Open dialogue between men and women in organizations to learn about gender differences that exist on important issues affecting the work environment.
- Offer educational and training programs for men and women to learn how to effectively manage the gender diversity in organization.
- Re-engineer human resource management practices and implement other suggestions offered by our respondents to make organizations more "women friendly." Such suggestions include:
 - Exposure of women to top management
 - Job rotation for women
 - Career development programs for women
 - Leadership development programs for women
 - Better child care facilities at work
 - Surveying women regularly to assess their job satisfaction
 - Senior level commitment to gender issues
 - Recruitment of women at senior level positions
 - Establishing mentoring program for women
- Although, a few women organizations have emerged in developing countries, we are not aware if there is an *Association of Women Managers in Asian countries*. We recommend establishing such a professional body to organize educational, training, development, and research on gender issues in corporations.

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