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A Study on the Strategies for Expanding the Ratio of Female Executives in the Enterprise

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A Study on the Strategies for Expanding the Ratio of Female Executives in the Enterprise

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I . Introduction

1. Research needs and objectives

Female labor force participation rates in Korea have consistently jumped, against the backdrop of diverse policies being carried out to cultivate female managers. However, the ratio of female executives in the private sector is still as low as less than 2%. Even though most nations have a pyramid structure where the higher the position is, the lower the share of women is, the ratio of female executives in the private sector in Korea is deemed to be very low, given its economic situation. This means that the glass ceiling facing Korean women remains a very serious issue.

The share of women among executives not only relates to gender equality but also acts as an important business issue. In other words, it is deemed to be very significant in the context of gender diversity in decision-making positions and changes in corporate culture.

Against this backdrop, this research study is designed to review various statistics and best practices from advanced nations regarding the ratio of female executives, to identify obstacles to female managers being promoted to executives and required policy support, and thereby to present specific policy measures for improving the share of female executives in Korean companies.

2. Research information and methods

A. Research information

- ☐ Theoretical discussions and review of local and global cases
- ☐ Theoretical discussions concerning the improvement of the share of female executives
- ☐ Best practices from developed nations including the female executive quota system
- ☐ Business cases at home and abroad for the enhancement of the ratio of female executives

- ☐ Status of female executives
- ☐ Reasons for the low ratio of female executives
 - Limitations in increasing the number of female human resources in the labor market
 - Glass ceiling and invisible barriers in companies
- ☐ Status of female executives in top 30 business groups
 - Status of target enterprises
 - Changes in the number of female executives and related characteristics

- Status of female executives by business nature
- Share of female executives and business performance

☐ Reasons for failure to expand the share of female executives

○ Fundamental reasons

- Lack of a talent pool for female executive candidates
- The glass ceiling facing female human resources who are supposed to be promoted from middle managers to executives
- Women's willingness to be promoted to executives. If their lack of willingness is seen, why?

○ Reasons by business nature

- Situations and reasons by company nature (male-or-female-dominated industries, local companies, global firms, etc.)
- Gender differences in the context of HR management systems and the whole career development process

○ Effectiveness of existing policies

- Revise the effectiveness of government policies for improving women's representation in the private sector, which include Affirmative Action and the female talents cultivation academy

☐ Strategies for expanding the ratio of female executives

○ Government

- Present policy improvements and new alternatives by reviewing past policy performance and gathering experts' opinions

○ Businesses

- Present their own strategies by identifying cases where companies featuring a higher share of female executives nurture female executives

○ Women

- Present ways to help female executives and female middle managers (female executive pool) grow and facilitate their career development within their organizations
 - * Present strategies by business nature

B. Research methods

☐ Previous research review and literature study

- Review existing studies regarding the improvement of the percentage of female executives
- Review best practices from advanced nations where the share of female executives is high
- Review existing policies relating to female managers and talents cultivation, which include Affirmative Action and the female talents cultivation academy
- Review female executives-related activities voluntarily carried out by the private sector

☐ Statistics analysis

○ Source data analysis

- Panel data including the Women Manager Panel and the Human Capital Panel

- Corporate and executive data from CEO Score
- Data on business executives by gender revealed via corporate disclosure documents
- Secondary data regarding the percentages of female executives at home and abroad
 - McKinsey & Company, the ILO, the OECD, and so forth
- ☐ In-depth interviews and FGIs
- Purpose
 - Identify reasons for the low share of female executives and seek specific ways to help expand the ratio of female executives in businesses
- Participants
 - FGIs with about 20 male and female middle managers (four groups) (deputy general managers and general managers) belonging to an executive pool
 - In-depth interviews with male and female executives (10 persons or less)
- Information
 - Identify obstacles to and difficulties and success factors in women being promoted to executives
 - Effectiveness of and demand for policies for enhancing women's representation in the private sector
 - Identify the cases of distinguished companies in cultivating female executives

* Consider business nature (industry type, size, business type, and so forth)

☐ Expert advisory committee

☐ Consult academia members and field experts in connection with policy measures to increase the ratio of female executives in the private sector

II. Key research results

1. Theoretical research

Previous research and cases at home and abroad were reviewed in connection with expanding the percentage of female executives in the private sector. The fact that increasing the share of female executives is a prerequisite for ensuring representation in businesses' decision-making processes was described, analyzing reasons for the low ratio of female executives in the context of industry, corporate governance, individuals, organizations, and policies/systems. Moreover, this paper examined research studies on the needs for and effects of increasing the share of female executives. Lastly, this study introduced businesses' voluntary measures and EU members' policies to raise the ratio of female executives.

2. Data analysis

The current status of the employment of female executives was analyzed by using business disclosure reports, panel data (human capital

panel and women manager panel), and latest statistics at home and abroad. Then, the characteristics of businesses employing a large number of female executives were identified, checking the effects of the number of female executives on business performance. Key results and lessons learned are as follows:

First, the open recruitment of female college graduates was first introduced in Korea in 1985. It has since expanded gradually, with the percentage of female college graduates recruited by top 100 business groups in Korea exceeding 10% in 1995. In fact, the share of female college graduates recruited by companies slightly climbed from 13.0% in 1985 to 14.7% in 1995. However, in early 1997, the percentage of high-ranking female employees (managers ~ directors) employed by top 50 business groups was as low as 0.7%, showing that most female workers are concentrated in low-ranking positions. According to 2016 OECD statistics, the ratio of men to women in Korean companies is 88.5% to 63.3%, which is deemed to be a dramatic improvement in quantity from the percentage of female college graduates recruited by companies in Korea posted in 1996 which was as low as 14.7%. However, the fact that the share of female executives in Korean businesses is as low as about 3% signifies that women's representation in decision-making positions is still far from satisfactory.

Second, the average number of employees was also studied through the Human Capital Panel. In employee-level positions is 322.9 men and 140.7 women, revealing that the former is more than twice as high as the latter. The higher the positions are, the wider the gender gap is. In executive-level positions is 12.3 men and 0.1 women, showing that the former is 123 times higher than the latter. More specific analyses based on the Women Manager Panel also reveal that it takes more time for

women to be promoted in every position. Generally speaking, the bigger the companies are, the longer the average period required for promotion is.

Third, source data from CEO Score, an upgraded version of DART, the Financial Supervisory Service's Electronic Disclosure System, were analyzed to identify the current status of the employment of female executives. As of 2017, the share of female employees in Korea's top 30 business groups is 24.4% while their percentage of female executives is as low as 3.0%. The shares of women among regular employees by industry are as follows: distribution → 26.4%; IT, electric and electronics → 25.7%; services → 15.5%; and transportation → 6.1% while the percentages of female executives by industry are as follows: IT, electric and electronics → 24.9%; services/credit finance → 11.0%; and distribution → 10.6%. Those who are recruited as employees with work experience account for the highest percentage (49.0%) of female executives, followed by those promoted in-house (39.6%) and owner family members (11.4%). On the other hand, those promoted in-house take up the biggest share (53.2%) of male executives, followed by those who are recruited as employees with work experience (33.7%) and owner family members (13.1%).

Fourth, IT, electric, and electronics industries characterized by a higher share of women and female executives were analyzed in a more sophisticated manner, expanding what should be analyzed and thereby identifying their characteristics. 60.2% and 39.8% of all employees in the IT industry are male and female, respectively. The share of female executives is estimated at 9.5%, showing that an absolute majority of employees in the industry are males. However, the figure is 3.5 times larger than the ratio(3.0%) of female executives in top 30 business groups.

Fifth, local and foreign companies numbering 292 that submitted their 2017 business reports were analyzed in order to review the characteristics of businesses employing female executives and their business performance. Determinants of the employment of female executives were analyzed, producing the following results: The bigger the companies are, the more likely (4.6 times) female executives are to be employed. The higher the average yearly wages of women are, the more likely female executives are to be employed. However, the longer the average length of service for women is, the less likely female executives are to be employed. This means that a large percentage of female executives are not promoted in-house but recruited via external search. Relationships between the existence of female executives and business performance were also analyzed, producing the following result.: The operating income (the variable of business performance) of enterprises employing female executives is found to be about 1.7 times higher than those without female executives. The analysis of relationships between the number of female executives and business performance reveals that there are nonlinear relationships between the number of female executives and operating income. This means that the existence of female executives may have negative effects on operating income before the number reaches a certain level but that if it reaches the level, its positive effects on operating income become visible. The analysis results also show that four to five female executives should be employed by company in order to ensure business diversity. Even though female executives in top 30 business groups are concentrated in specific enterprises, these figures imply that big companies in terms of sales and size should work hard voluntarily to more actively employ female executives in order to ensure gender diversity.

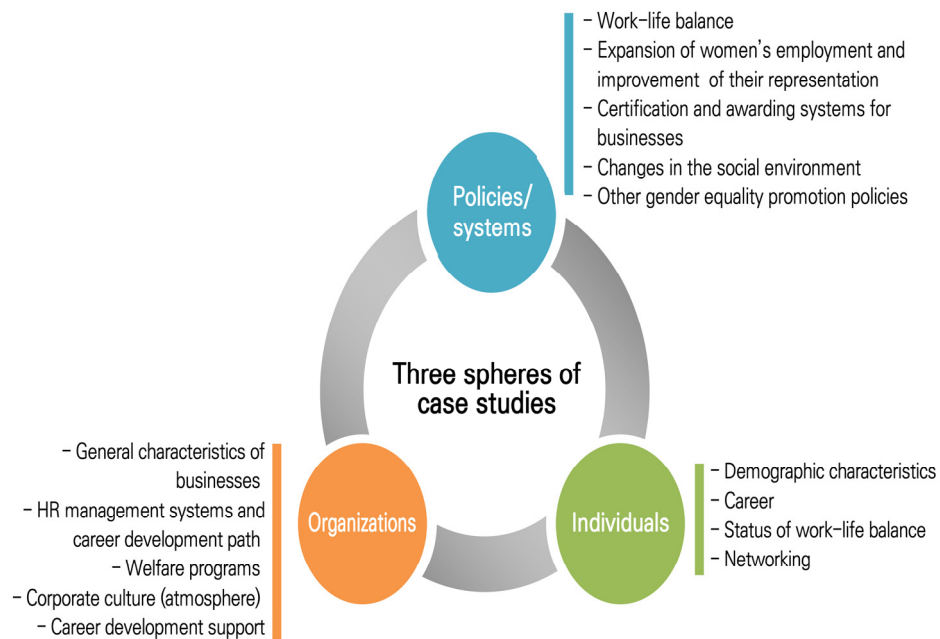
3. Case studies

Focus group interviews with male and female executives and those on the prospective promotion list (deputy general managers and general managers) numbering a total of 21 were conducted, classifying the industries to which they belong into the following four groups: group 1 → high value-added industries (IT, etc.) and highly professional industries (architecture, advertisements, the pharmaceutical industry, etc.); group 2 → female-dominated industries (distribution, finance, etc.); group 3 → manufacturing (etc.) whose share in the industries is high but which are characterized by masculine culture and therefore are avoided by women; and group 4 → construction, chemical, and auto industries (etc.) where the share of female executives is very low.

〈Table 1〉 Characteristics of FGI Groups

Group	Characteristics	Industries	Business type (Domestic/Foreign)
Group 1	Highly professional industries	Professional, scientific and technical activities such as IT, architecture, advertisements, and bio	5 / 1
Group 2	Female-dominated industries	Insurance, distribution, and 'financial service activities except insurance and pension funding'	5 / 1
Group 3	Manufacturing	Paper, furniture, pharmaceutical, electronics, machinery manufacture, etc.	3 / 2
Group 4	Male-dominated industries	Construction, chemical, auto industries, etc.	4 / 0

The analysis frame for case studies is as follows:



[Figure 1] Analysis frame for case studies

Factors that affect the process of female employees growing to become executives were categorized and reviewed in the context of individuals, organizations, and policies/systems, following the aforementioned theoretical frame. The three elements affect one another via mutual interaction in a complex manner.

Factors in the area of organizations strongly affect obstacles to their promotion to executives while elements in the sphere of individuals have bigger effects on obstacles to career maintenance. Specifically, among obstacles to their promotion to executives, 'superficial leadership training and network programs' are found to have been positively affected by leadership and network programs in the realm of government policies

and systems.

‘Male-oriented corporate culture,’ ‘weak networking and lack of role models,’ ‘gender discriminatory HR management and promotion,’ ‘superficial support for the cultivation of female executives,’ and ‘choosing between child care and loyalty to organizations’ are deemed to be obstacles in the field of organizations. Differences by industry and the share of male employees are also partially identified.

Female executive candidates are not still treated and supported as executives, which is differently exposed by job characteristic. Even in the male-dominated electronics and manufacturing industries, discrimination against women is not serious in the R&D center which is a key team for companies while such discrimination is severe in business teams, exposing dual discrimination in human resources cultivation policies. The IT industry focuses on competency and expertise, actively recruiting female technical executives while venture firms lead women to experience difficulties in promotion due to their male-oriented patriarchal culture. Leadership training programs for women have few cases where they are customized for female employees due to lack of female managers and companies’ indifference thereto. Amid controversy surrounding reverse discrimination against male employees, businesses have not been active in operating such programs. Moreover, in the situation where many female executives are recruited via external search to cause in-house female executive candidates not to be promoted, female managers have become inactive in career development. Corporate culture where women’s childbirth and their economic activities or women’s child care and their immersion in fulfilling business duties are dichotomized has often led women to lose their patience therewith and to resign from office. Foreign companies in Korea are also found to lead women to suffer from invisible

disadvantages. Likewise, female executive candidates have experienced many obstacles to their promotion at the organization level. However, in the process of maintaining their career, such candidates have been significantly affected by ‘internal and external networking,’ ‘competency - based value promotion,’ and ‘child care support’ at the individual level. In spite of such difficulties, they have often been supported by government policies and systems including ‘leadership training and network programs.’

III. Policy issues in the expansion of the ratio of female executives

This paper reviewed reasons why the percentage of female executives in companies should expand through theoretical discussions and local and global cases, identifying the current characteristics of female executives via various statistics regarding the low share of female executives and examining relationships between female executives and business performance. FGIs with 21 female executive candidates (deputy general managers and general managers) who are highly likely to be promoted to executives were conducted in order to identify related obstacles, success factors, and policy needs. Moreover, in-depth interviews with seven executives (six female executives and one male executive) were carried out to identify success factors for their promotion, exemplary business practices in cultivating female executives, and policy ideas.

1. Policy direction

‘Executives’ are chosen through internal HR management, so that policy interventions are hardly allowed in the process. Given that the

percentage of female executives is as low as 3%, the process is barely deemed to be implemented via fair and objective competition. From this perspective, this study aims to present the direction of policies for increasing the share of female executives as follows:

First, Affirmative Action (AA) is desperately required to expand the share of female executives¹⁾. AA has been implemented for more than 10 years but has not had significant effects on expanding the percentage of female executives and is deemed to be necessary in terms of institutional support. It should apply to steps toward their promotion to executives.

Second, ‘the share of female executives’ should be dealt with on a long-term basis to enable female employees to be qualified to properly act as executives.

Third, policies should be designed to enable the expansion of the share of female executives to be handled in the context of HR management and sustainable management (ex. ‘business disclosure systems,’ ‘the disclosure of companies that fail to carry out AA,’ ‘investment systems,’ ‘plans to make it possible for the Blue House and ministries to lead CEOs to recognize the issue and take appropriate actions,’ etc.).

Fourth, approaches and support plans based on business characteristics should be prepared.

Fifth, it is necessary to craft policies that reflect the changes of the times such as low economic growth, low employment rates, inter-generational differences, and demographic changes.

Sixth, it is necessary to change CEOs and executives in charge of HR management.

1) There are voices claiming that like some European nations, Korea should also introduce a female executive quota system. However, there are worries that it’s a kind of reverse discrimination and that such mandatory measures may lead ineligible women to be chosen as executives.

Seventh, the number of female leaders is very small, so that opportunities for reinforcing role models and networking should be created in terms of policy-making.

Eighth, it is also necessary to accumulate academic and empirical research data on women's representation in the labor market such as the share of female employees and female leadership.

Lastly, the continued effectiveness of policies should be ensured by promoting circumstantial changes on a mid-to-long-term basis via educational and cultural schemes.

2. Policy issues

Based on research data accumulated recently, obstacles to and success factors and policy issues in expanding the share of female executives can be summarized as follows:

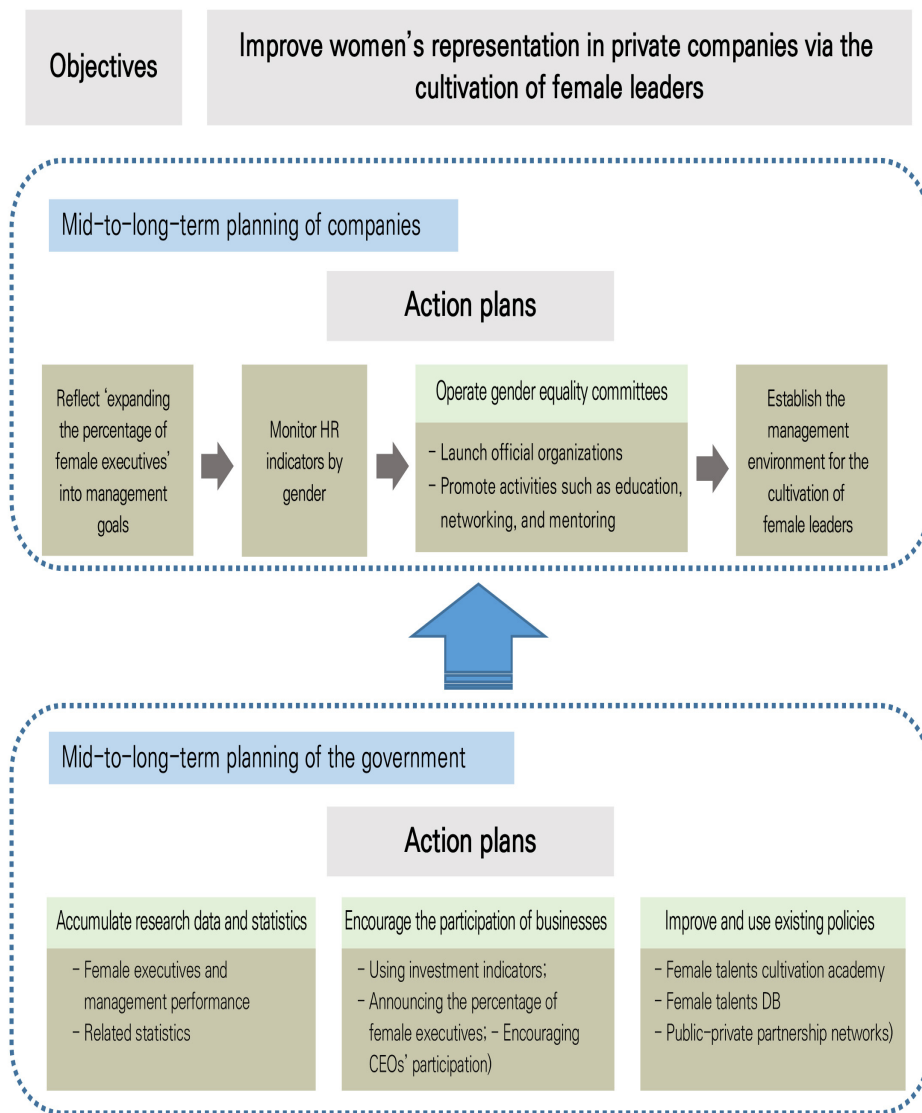
〈Table 2〉 Obstacles to and success factors and policy issues in expanding the ratio of female executives

	Obstacles	Success factors	Policy issues
Individuals	<ul style="list-style-type: none"> • Difficulties in child care • Difficulties in networking • Disconnection from the 1st generation female executives • Dual discrimination in gender and age • Heavy burden and too much attention from the identity of minorities • Inclination not to actively expose their own performance 	<ul style="list-style-type: none"> • Less responsibility and desire for child care • Family members' active support for their economic activities • Active efforts and willingness to study professional areas • Specialties that give them a competitive edge in practical affairs • Varied work experiences • Sincere attitudes and leadership based on their own strengths 	<ul style="list-style-type: none"> • Stronger customized support in each career phase: child care support for female managers and children's education support for female deputy general managers and general managers • Reinforcement of their own expertise and expansion of networking opportunities • Leadership and career development training required since the stage of youth

	Obstacles	Success factors	Policy issues
Organizations	<ul style="list-style-type: none"> • Male-oriented corporate culture • Management's low willingness to use female human resources • Males accounting for a significant portion of those in charge of human resources • Networking-based, rather than competency-based, HR management • Lack of female executive candidates • Prejudice that women are not breadwinners • Lack of role models • Increasing the number of female executives via external search • Personnel congestion due to HR aging 	<ul style="list-style-type: none"> • Operation of gender equality committees and mentoring programs as official bodies, rather than for friendship promotion • CEOs who prefer competency-based HR management • Professional executive systems • Work-life balance promotion programs such as maternity protection systems and flexible working hours systems • Existence of female executives in charge of human resources • Flexible and horizontal corporate culture 	<ul style="list-style-type: none"> • Evaluation of management goals and CEOs/management based on perspectives on the use of female human resources • Incentives/penalties designed to lead CEOs to have interest in cultivating female human resources • Helping devise mid-to-long-term plans for expanding the percentage of female executives • Regularly monitoring the status of female human resources by company, subsidiary, and team • Operation of official gender equality committees • Full support for education, training, and external activities • Resolving inter-generational and gender conflicts
Policies & systems	<ul style="list-style-type: none"> • Varied economic policies affecting business operation • A continued economic slump • Lack of confidence in and misunderstanding of female leaders • Temporary policies just for show • Gender discrimination in the labor market characterized by gender pay gap and gender job segregation 	<ul style="list-style-type: none"> • Policy interest in the cultivation of female executives • Female talents cultivation academy • Reinforcement and expansion of work-life balance promotion systems • Shorter working hours • A rise in social demand for gender equality • Social atmosphere laying stress on work-life balance 	<ul style="list-style-type: none"> • Regular and long-term policy formulation and implementation for the expansion of the percentage of female executives • Promoting and substantiating WIN, linking to private women networks • Active promotion of the female talents cultivation academy • Periodic announcement of the percentage of female

	Obstacles	Success factors	Policy issues
	<ul style="list-style-type: none"> • Traditional gender role segregation (child care leave only for women) • Inter-generational differences in women being promoted to executives 		<p>executives</p> <ul style="list-style-type: none"> • Active use of female executives for policy-making • Making it mandatory to offer diversity training • Including female human resources utilization indicators in key management items such as loans and investment • Including the percentage of female executives when announcing AA results (disclosing company names) • Including 'the use of female human resources' in college AMP programs • Help analyze and research relationships between female executives and business performance

From mid-to-long-term perspectives, the strategies of the government and companies for expanding the percentage of female executives can be illustrated as follows:



[Figure 2] Strategies of the government and businesses for expanding the ratio of female executives

A. Mid-to-long-term planning

1) The government's mid-to-long-term policy-making for expanding the ratio of female executives

Policy directions and projects should be established on a long-term basis in order to nurture female executives. In particular, the cultivation of female leaders in the private sector should interact with government and company policies and personal empowerment, leading the government to set up long-term goals and plans to help businesses function properly and to create an environment where women can develop their career without being discriminated against.

As seen via case studies, in the process of developing their careers, women should go through marriage and child care. Therefore, when preparing long-term policies, women's characteristics in their life cycle by career phase should be considered, along with business characteristics, to craft policies suitable for each stage. In particular, taking into account that Korea's industries are characterized by long careers and in-house promotion to executives, it is most important to create an environment where female managers can overcome difficulties. Therefore, considering career stages consisting of 'assistant manager,' 'manager and deputy general manager,' 'general manager,' and 'executive' and women's life cycle composed of 'marriage,' 'childbirth,' 'child care,' and 'education,' specific measures by phase should be prepared and implemented to offer necessary support. In particular, in the process of being promoted to general managers (executive candidates) or rising from general managers to become executives, support for educating and taking care of elementary school children has not been provided effectively. At this stage, concentrated support should be given.

On the other hand, industries such as IT and professional, scientific, and technical activities that feature high expertise and turnover are exposed to high risks in career vacuums. Therefore, a flexible working environment where employees can work anywhere and anytime should be created, offering child care services on a need-to-do basis and especially enabling them to use home visit services including infant care.

Child care support, a key element of labor policies for women, should be given top priority while the cultivation of female executives should receive policy support to enable companies to actively participate in the initiative. In order to help businesses regard the cultivation of female leaders as their key management policies and devise long-term plans, CEOs should be led to change, including the share of female executives in investment indicators. At the same time, preparing programs for training, networking, and mentoring for the cultivation of female leaders, future policies should be packaged for effective implementation.

2) Businesses' mid-to-long-term planning for the cultivation of female executives

Because they operate in-house leader cultivation programs, many big companies may think that separate programs only for women are not required. However, if female employees tend to be excluded from such programs and training, existing systems may not be enough. It should be the most highlighted that the cultivation of female leaders (executives) is included in business management policies and that systems are established and implemented accordingly. It has been long since global companies considered 'diversity management' as their key management policy regardless of gender. Korean businesses that have yet to effectively resolve the issue of gender discrimination should begin with 'gender

diversity management.’ CEOs should include ‘female leader cultivation’ in companies’ core values and management policies, devising long-term plans by year to achieve the goal. To this end, the gender distribution of members should be effectively monitored. The current status of female employees by subsidiary, division, team, and position should be checked, identifying the status of human resources by HR management phase (recruitment – wage – assessment – promotion – job change) and by gender on a time-series basis. In particular, statistics should be accumulated and managed to identify ‘changes in the share of women in recruitment and promotion,’ ‘gender differences,’ and ‘whether women are discriminated against in terms of evaluation.’

3) Accumulation of research on female executives – business performance

Korea still suffers from lack of research on the effects of female executives on business performance. Such empirical data are required to persuade companies to join the initiative. However, because the number of female executives is too small, it is hard to produce statistically significant results. Therefore, it is necessary to support basic and empirical studies on female executives in terms of policy-making. Given that it is not easy to gather data and that diverse variables should be considered, such research can’t be conducted on a short-term basis, making it necessary to accumulate time-series research results.

B. Establishment of official systems for the cultivation of female leaders

1) Wider operation and substantiation of gender equality committees

In carrying out the aforementioned long-term plans for the cultivation of female leaders, it is very important to operate gender equality committees, which are official in-house organizations. For example, GM Korea has produced female leaders by continuously supporting gender equality committee activities for more than 10 years. Citibank Korea has also seen its gender equality committee carry out varied activities since it was founded in 2006. What should be noted is that gender equality committees must be official organizations. Unlike unofficial organizations for information sharing such as female employee associations or women's groups, gender equality committees should be official in-house bodies financially supported by companies. Next, in their infancy, women's voluntary participation and services are required for the active operation thereof. Interviewers, who are the initial members of the committees, said, "At the initial stage, we experienced many difficulties but those are problems that will be overcome later. Therefore, we had no choice but to accept such a situation." Therefore, if businesses support gender equality committees as part of their policy, initial difficulties can be effectively surmounted. Moreover, if the committees take charge of implementing long-term plans for nurturing female leaders, companies can handle a variety of women-related issues more easily. What is also important is that the activities of the committees should help companies and CEOs produce better results. The reason why foreign companies effectively operate gender equality committees is that CEOs' key performance indicators (KPI) include diversity-related (or female employees-related) items as essential elements. It is true that the committees have limitations under the owner management system. However, if CEO and executive evaluation items include female employee-related indicators, the activities of gender equality committees

will be very important to them. In addition, such activities may help improve corporate image, with their social contribution activities leading to better business performance. Likewise, it is necessary to study ways to link the operation of the committees to corporate performance.

Local gender equality committees have focused on promoting mentoring between juniors and seniors and holding conferences. However, now is the time for them to put more emphasis on the continued operation of programs than on one-time events for activity planning. It will be useful for them to benchmark the exemplary cases of committee activities and to craft operation plans. Networking among gender equality committees should be facilitated to enable companies to share information and operation systems and to benchmark best practices. Companies having no experience in setting up gender equality committees have had difficulties in collecting information and learning know-how in the process of searching for best practices and seeking advice. Against this backdrop, it is proposed that networking among gender equality committees be more actively promoted, based on WIN (Women in Innovation) or Ministry projects.

2) Stronger mentoring for the sustainability of female executives

The results of case studies show that there are inter-generational differences even among female executives. Specifically, the first generation of female executives (some of them retired from office) who joined their companies before female college graduates started to be actively recruited are distinguished from the 2nd generation female executives and executive candidates (general managers) who entered their firms after female college graduates began to be actively chosen as employees. They are found to show differences in terms of the process

of being promoted to executives and their recognition of female executives. If not generalized, the former were mostly cultivated as kinds of stars for their companies, so that most of them are the only female executives for their organizations. Moreover, they have no experience in being actively supported in the process of becoming executives. As a result, they don't often feel the need for nurturing or supporting their female juniors to grow to become leaders. In many cases, they are singles or have no responsibility for child care, developing their careers in the same way as their male counterparts. Therefore, they have been recognized as exceptional cases. On the other hand, the latter mostly entered their companies in the 1990s and have competed with their male counterparts on equal footing and successfully survived within their organizations, thereby having a high awareness of gender equality and women's representation. In their opinion, they have not been significantly supported by their female seniors, overcoming many difficulties without proper role models and thereby feeling much responsibility for cultivating their juniors. Also, not feeling confused about female leadership or male-dominated organizational culture, they have tried to find and fully use their own strengths and to change the male-centered corporate culture. However, what they worry about the most is their disconnection with the next generation. Because they have had various difficulties in the process of rising to become female leaders, they want to help their juniors successfully develop their careers but feel frustrated to see that the juniors don't want their support.

Such inter-generational differences are regarded as a serious issue because female leaders can't be continuously cultivated in case existing female executives don't support and help their juniors. If female executives who are minorities within their organizations do not train their

juniors against the backdrop of their male counterparts occupying the majority of the executive workforce and continuously cultivating their juniors, female employees have no choice but to develop their careers on their own. This may make it difficult to maintain the existing female executive workforce. Therefore, female executives and leaders should continuously support their juniors and function as appropriate role models to prevent the aforementioned disconnection from occurring. If gender equality committees officially operate and perform such programs and roles, respectively, within their organizations, meaningful mentoring services can be continuously delivered.

C. Inducing businesses' participation

1) Including the female executive index in investment indicators

In order to lead the use of female employees to produce better business performance, ESG Investing²⁾ and so forth should be seriously considered in terms of policy reorganization. The term 'Impact Investing' has been recently used frequently, which means investments into companies, groups, and funds whose purpose is to create financial income and a predictable society or to resolve environmental issues³⁾. In other words, the creation of financial income and social values is simultaneously promoted. Among the cases of Impact Investing, the SSGA (State Street Global Advisors) Gender Diversity Index (SHE) needs to be specially noted. This index is used to make investments into US companies where the share of women

2) Acronym of Environment·Social·Governance), "ESG investing" refers to investment strategy that focuses on non-financial factors such as 'how much companies contribute to the environment and society' and 'whether they have sound corporate governance.'(NAVER Encyclopedia).
"https://terms.naver.com/entry.nhn?docId=3612975&cid=43659&categoryId=43659, accessed on Oct. 14, 2018"

3) "Impact investing is gaining popularity in the world. The global market is valued at KRW 250 trillion,"
"http://www.fnnews.com/news/201809012133156103, accessed on Oct. 15, 2018"

among executives and the management is relatively high. Using research results revealing that nations or companies where the percentage of female executives is high produce better performance, in 2017, the SSGA selected about 800 businesses in the US, the UK, Australia and other key nations in the world where boards consist only of male directors and put pressure on them to employ more female executives in order to facilitate gender-equal and socially responsible investment⁴⁾. However, because this initiative is in its infancy, it is hard to measure tangible results. Therefore, taking into account future progress, Korea should study how to apply such a scheme to its corporate environment.

4) “SSGA, Power of Socially Responsible Investment... 152 companies chose women as executives”, Yonhap Infomax (Mar. 08, 2018)
“<http://news.einfomax.co.kr/news/articleView.html?idxno=3437914>, accessed on Oct. 15, 2018”

○ Case of Japan

- In July 2017, Japan's GPIF, the world's biggest pension fund, announced that it plans to make investments into the MSCI Japan Empowering Women Index consisting of businesses that effectively use female human resources. The Japanese pension fund's decision to invest in women-friendly companies is considered as part of the ESG Investing scheme that has been recently positioned as the trend of global financial markets. The Japan Empowering Women Index belongs to the category of 'S,' closely linking to the Abe government's policies for reviving the Japanese economy by effectively using female human resources in the era of depopulation. Women-friendly businesses are selected by considering the percentage of new female employees, the share of women at the workplace, the gender gap in the length of service, and the percentage of female executives. The Japanese pension fund owning Japanese shares worth 30 trillion yen plans to allocate 1 trillion yen to 'ESG Investing.'

* Source : Why are stock investors in Japan planning to invest in women-friendly companies? The Chosun Ilbo (July 10, 2017).
["http://news.chosun.com/site/data/html_dir/2017/07/09/2017070901852.html"](http://news.chosun.com/site/data/html_dir/2017/07/09/2017070901852.html), accessed on Oct. 19, 2018"

○ SSGA (State Street Global Advisors) Gender Diversity Index(SHE)

- This was listed in March 2016, focusing on the percentage of women among vice presidents or higher employed by the 100 biggest businesses in the US. As a result, the percentage of Russell 2000 companies not employing any female executive dropped by 3%p, with the share of companies where the percentage of female executives is 15% or lower falling from 58% to 50%.

* Source : "SSGA, Power of Socially Responsible Investment... 152 companies chose women as executives", Yonhap Infomax (March 08, 2018)
["http://news.einfomax.co.kr/news/articleView.html?idxno=3437914"](http://news.einfomax.co.kr/news/articleView.html?idxno=3437914), accessed on Oct. 15, 2018"

2) Disclosure of the ratio of female executives

At present, there are no data on the share of female executives in the private sector as a whole but are statistics on businesses subject to corporate disclosure and Affirmative Action (AA) (public institutes and private firms employing 500 or more persons). Corporate disclosure reports are based on the Financial Investment Services and Capital

Markets Act. Specific criteria and how to prepare them are offered by the Financial Supervisory Service via its ‘Corporate Disclosure Form Guidelines.’ In accordance with such criteria, the gender of executives should be specified as follows:

〈Table 3〉 Criteria on the status of executives used when preparing corporate disclosure reports

Name	Gender	Date of birth	Position	Registered or not	Full-time or part-time	Duties	Key experience	Number of shares owned		Length of service	Term expiration date
								Voting shares	Non-voting shares		

Source: “Criteria for preparing corporate disclosure reports, June 2017”, 119p, homepage of the Financial Supervisory Service

It is not obligatory to prepare corporate disclosure reports but gathering data based on information on executives specified therein makes it possible to compare and analyze male and female executives by variable and to track time-series changes. Therefore, each Ministry proposes that related DB be established and used in cooperation with the Financial Supervisory Service in charge of managing disclosed data.

It is not possible to make it mandatory for all companies to disclose the share of female executives. However, businesses subject to corporate disclosure have already disclosed data while those subject to AA must announce such data pursuant to related laws. Therefore, it is deemed to be possible to reveal the percentage of female executives. Such disclosure is meaningful symbolically and at the same time in terms of continued data gathering. In other words, referring to such data, companies tend to think of reasons for the low percentage of female executives, to be compared with other businesses in the same industry in the context of

business performance, and to study what should be done to raise the share of female executives. In this vein, the announcement of such figures is considered to have significant effects on business management. It is also required to include the data in the Yearly Report on Gender Equality⁵⁾ that is reported to the National Assembly every year and thereby to cause improvement measures to be taken at the National Assembly level.

3) Meetings to which the Blue House and ministries invite female executives

In order to lead CEOs to pay attention to the cultivation of female executives, the government should highlight the need for nurturing female executives and clearly show its willingness to support companies featuring a high percentage of female executives. To this end, this study proposes that the Blue House invite female executives and CEOs to official meetings in order to boost their morale and to deliver the central government's message. Or, the government can choose model companies in terms of the cultivation of female executives and give awards to them. The Minister of Gender Equality and Family may directly visit companies to conclude agreements and make an official declaration to actively nurture female leaders. On a long-term basis, the government needs to continuously implement various activities, rather than holding one-time events, to show its firm willingness for the promotion of the initiative.

5) Article 53 of the Framework Act on Gender Equality (Reporting to the National Assembly) ① The Ministry of Gender Equality and Family shall finalize and submit basic plans, implementation plans for the year, and performance for the previous year to the National Assembly. ② The government shall prepare and submit a yearly report on key gender equality policies to the National Assembly before a regular session is held." The National Law Information Center.

"<http://www.law.go.kr/lsInfoP.do?lsiSeq=188419#0000>, accessed on Dec. 01, 2018"

D. Expansion of education and networks

1) Offering more training opportunities and support to women via online systems

Most big companies operate separate in-depth programs for nurturing key human resources, as well as internal HR cultivation or career development courses. Even though there are effective career development and leadership programs, improvement measures should be taken if women are not given opportunities to fully use such programs. In other words, necessary systems should be set up to ensure that there are no significant differences in terms of the percentage of men and women participating in the programs. For instance, if 20% of male managers take part in the programs, a similar percentage of female managers should be led to participate in them. The share of men and women attending such training programs should be properly monitored and the results need to be seriously considered in the process of businesses devising mid-to-long-term plans.

In reality, even though they want to take part in training and education programs, female employees have difficulties in taking time to do so due to child care and other domestic duties. Therefore, if online training based on IT technologies is actively promoted, women will be given more opportunities to participate in such programs. Of course, it may be inferior to offline training in the context of effectiveness but diverse measures can be taken to overcome such weaknesses. In this vein, Citibank's U-Learning (Ubiquitous Learning) can be seriously reviewed and considered. This system uses not only basic video lectures but also SNS to enable Q&A sessions to be offered regardless of time and space and to promote active interactions and networking. At the same time,

it introduces the Twitter system (also called ‘mobile mentors’) to connect mentees with mentors for effective job training and thereby to facilitate communication among employees.⁶⁾

Training and mentoring programs for both female employees and ordinary women need to operate in terms of making social contributions and nurturing distinguished human resources. Since 2001, Citibank Korea has operated the ‘Ewha – Citibank Global Finance Academy’ to support female students’ career development. Since 2003, it has given Korea Women’s Leadership Awards to female leaders who have contributed to promoting women’s rights, cooperating with Korea YWCA. Such corporate activities can be regarded as a simple social contribution scheme but at the same time, will play a role in improving corporate images and thereby producing better business results, cultivating female human resources, and expanding networks. Global companies have operated such programs, showing that they regard the use of female talents as a key means for the promotion of social contributions, D&I (Diversity & Inclusion), and sustainable management.

- 2) Making it mandatory to offer education on diversity in order to resolve gender and intergenerational conflicts and to promote effective communication

HR managers have recently selected ‘inter-generational conflicts’ as one of the most difficult issues in HR management. Those who were born in the 1980s, called ‘the Millennium Generation,’ ‘the Echo Generation,’ and ‘the Y Generation,’ are now in their 30s, most of whom

6) “Citibank Korea becomes the first bank in Korea to introduce U-learning systems”, Boan News (April 03, 2010
“<https://www.boannews.com/media/view.asp?idx=20553&kind=1>, accessed Sept. 22, 2018”

are concentrated in manager-level positions. Of course, such conflicts have been witnessed in any era because the young generation has been rarely understood by the old generation. At present, the focal point of inter-generational conflicts is regarded as difficulties in communication among executives in their 50s or older, employees in their 20s and 30s, and managers. As the variable of gender is added, male executives in their 50s or older have felt more uncomfortable with female employees in their 20s and 30s. Regardless of gender, executives participating in the interviews showed the following responses: 'women are too emotional,' 'women don't have wider perspectives,' and 'male and female juniors are not enthusiastic in career development and are selfish.' Those in their 20s and 30s are found to be very discontent with their seniors. The problem is that such conflicts cause difficulties in corporate management. Therefore, like global companies, local businesses should also consider 'diversity training' as an essential element. Currently, gender conflicts are deemed to be the most serious but if gender and generation issues interact with one another in a complicated manner, women may suffer from dual discrimination and lack of understanding. Therefore, 'diversity management' should expand to include foreigners and the disabled in the future.

CEOs and the management must be properly trained to change their attitudes. What should be noted is that if they don't recognize the need for such training, they can't be forced to be trained and educated. Such training may be included in CEO forums or other training courses for CEOs. Or, courses on the use of female human resources and diversity management can also be included in advanced management programs operated by universities as required ones. The government can't force colleges and universities to revise their curricula in the process of

carrying out its policies. However, diversity management is deemed to act as a key element of the advanced management programs. Therefore, it is considered to be desirable to include gender diversity in programs for training in diversity management. To this end, it is necessary to have a clear understanding of how advanced management programs deal with diversity management. In case lack of content on gender diversity is found, the Ministry of Education can recommend colleges or universities to operate more programs thereon.

3) Offer more networking opportunities to women

As shown in aforementioned theoretical research and case studies, women are deemed to be very weak in networking. Therefore, effective policies should be crafted to give women more opportunities for networking and related information. To this end, WIN (Women in Innovation) needs to be actively used. It was founded in the private sector in 2007 by about 40 female executives and was re-launched in 2009 as an organization under the Ministry of Gender Equality and Family. At present, WIN consists of about 80 companies and more than 120 members, operating various programs such as next-generation leadership conferences, leadership cultivation programs, and mentoring.⁷⁾ In order to improve the use of WIN, difficulties in operation should be identified, offering necessary support. It is also proposed that opportunities for networking with private women's organizations be provided based on such activities. Women's networks such as 'Foreign Female Human Resources Network,' 'Female Financier Networks,' and 'Korean Institute of Female Architects' have separately existed but can be newly networked via WIN, offering

7) "WIN activities", WIN

"<http://www.win.or.kr/2011/about/network.php>, accessed on Oct. 15, 2018"

more multi-layered networking opportunities. To this end, women's networks and associations in the private sector should be first identified. In other words, the current status of women's networks by sphere needs to be surveyed, seeking ways to ensure their organic networking.

E. Improve and actively use existing policies

1) Female talents cultivation academy

The Female Talents Cultivation Academy refers to a project that the Ministry of Gender Equality and Family operates to expand women's participation in social and economic affairs and to nurture future female talents. Its aim is to offer women various opportunities for career management and development and to support competency management and the establishment of networks by operating specialized programs for middle managers and professionals. In 2017, with the budget of KRW 1 billion for one year, the operation of programs was outsourced to the Korean Institute for Gender Equality Promotion and Education under the Ministry of Gender Equality and Family. Training and education programs by characteristic for female youths, middle managers, high-ranking managers, and female leaders have been developed and operated, supporting networking through workshops, conferences, and so forth. Training programs for middle managers are classified into basic and advanced training courses. The former relate to the roles of middle managers and empowerment in communication and organizational management while the latter consist of four modules concerning effective empowerment, comprehensive perspectives-based collaboration, and so forth ⁸⁾. For the active use of the academy, the following measures should

8) "Education Information", Female Talents Cultivation Academy
"http://kwla.kigepe.or.kr/front/main.do, accessed on Oct. 10, 2018"

be taken: First, when offering information on the academy and recruiting participants, the operator needs to send official documents to private companies in order to provide a basis for businesses to officially recommend key female human resources to take part in the programs. Second, the content and level of programs by participant should be rechecked and revised. Training programs should be organized to help beginner-level managers develop their careers and promote their leadership, upgrading the level of advanced courses. Third, networking support programs should diversify to ensure not only interlevel networking but also cross-functional networking. Fourth, it is also necessary to develop programs in which male managers and executives can participate. As mentioned earlier, women can't be empowered on their own without male leaders' support.

2) Female talents DB

The female talents DB refers to a project operated by the Ministry of Gender Equality and Family in order to expand women's participation in various fields and to gather data on female talents against the backdrop of a wider female talent pool being required in public and private sectors to establish the basic framework for improving women's representation. Human resources who can be registered are as follows: professionals ('managers or higher in public agencies,' 'assistant professors or higher,' 'doctorate degree holders,' 'researchers or higher,' 'lawyers,' 'doctors,' 'CPAs,' etc.), medal and award winners in professional areas such as culture, arts, sports, and science, intangible cultural assets, and so forth. They are recommended to work as commissioned members of the public institution executive recommendation committee and government panels and are qualified to benefit from customized training programs including

female talents academy networking programs and empowerment training.⁹⁾ At present, the DB consists of about 100,000 human resources.

However, the issue of personal information security makes it difficult for women in private companies to be registered in the DB, except for cases where they are registered voluntarily. As a result, case studies show that there are few female managers and executives registered in the DB. They are often registered via the female talents cultivation academy but most of them are not aware of the system and fail to feel the need for being registered in the DB. Moreover, managers and executives in the private sector have big limitations in conducting external activities. Therefore, even though they are offered to work for a government panel, they can't take part in the panel without the official permission of their employers. However, female managers and executives in the private sector should be actively used to formulate women's labor-related policies. They can work not only as committee members but also as field experts or policy advisors in the process of crafting and monitoring policies.

When establishing long-term plans to make the DB known widely and to expand the share of female talents, the government should consider ways to lead companies to support female managers and executives to be registered in the female talents DB and to officially allow them to work as government panel members and policy advisors. At the same time, the system should be revised in terms of action plans and support in order to enable female managers and executives to feel proud of being registered in the DB and to learn something valuable.

9) "Female talents DB operation", Ministry of Gender Equality and Family
"http://www.mogef.go.kr/cs/wdb/cs_wdb_f001.do, accessed on Oct. 15, 2018"

3) Best family-friendly management certification system

Because most interviewees are working for big businesses, they are well aware of the best family-friendly management certification system, answering that their companies are certified. However, they have differing views on the effectiveness of the system. Female employees who have frequently experienced gender discrimination and whose employers are characterized by a low share of female workers evaluated the system positively, replying that it helps them benefit from maternity protection systems and newly introduced flexible working hours programs. On the other hand, those having higher expectations responded that the level of the certification system should be upgraded. The family-friendly management certification system is deemed to be effective in preventing women's careers from being interrupted and promoting work-life balance. However, given that it does not aim to simply increase the percentage of female executives, large conglomerates and global companies should be led to meet higher requirements by revising the program or setting up a new system for diversity management and corporate culture improvement.

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