

# Women in stock market companies versus company profitability

## Introduction

The analysis focuses on the share of women among the employed and among the executive suite of the companies recorded on the Warsaw Stock Exchange (WSE) and their financial outcomes obtained in 2008 and 2009. Do public companies carry out the policy aimed at equalising the chances of women's access to management? Do we observe in Poland a regularity that the higher share of women in the company's Board translates into its better financial indicators? Has the situation of women in public companies been changing? What is a direction of these changes?

The analysis concerns the results of the questionnaire surveys carried out by the WSE in 2009 and 2010. The survey in 2009 covered all capital market companies<sup>1</sup>, whereas the one conducted in 2010 – only stock market companies. The percentage of the completed questionnaires was in 2010 higher than in 2009 – respectively by 23% and 16%. The 2010 questionnaire comprised financial data of the companies in order to answer the question whether the share of women in the Boards of the companies influences their financial outcomes.

The structure of the enterprises participating in the surveys is presented in Table 1. The comparison of the percentage structure of the total number of companies recorded on the WSE with the structure of the companies that sent back completed questionnaires indicates that the primary market companies are overrepresented, while the NewConnect

**Table 1. Companies that answered the questionnaire in 2009 and 2010**

Specification	The number of companies		Percent	
	2009 (N=95)	2010 (N=109)	2009	2010
<b>Status on the stock exchange market</b>				
A primary market company	65	85	68.4	78.0
A NewConnect market company	11	22	11.6	20.2
A bank not recorded on the stock market	8	-	8.4	-
Other company not recorded on the stock market	11	-	11.6	-
Lack of data	-	2	-	1.8
<b>The company's branch</b>				
Finances	27	18	28.4	16.5
Industry, construction	42	64	44.2	58.7
IT and other services	26	27	27.4	24.8
<b>The company's size</b>				
Up to 49 employed persons	17	21	17.9	19.3
50–249 employed persons	40	39	42.1	35.8
250 persons or more	38	49	40.0	44.9
<b>Is it a joint venture company?</b>				
Yes	23	23	24.2	21.1
No	70	85	73.7	78.0
Lack of data	2	1	2.1	0.9
<b>The company's CEO's sex</b>				
Man	82	95	86.3	87.2
Woman	13	14	13.7	12.8
<b>The duration of the company's activity</b>				
Do 10 years	32	30	33.7	27.5
11–15 years	31	25	32.6	22.9
16 years or more	29	52	30.5	47.8
Lack of data	3	2	3.2	1.8

Source: results of the survey *Women in capital market companies 2009* and *Women in stock market companies 2010*.

companies are underrepresented in the survey. The similar situation was observed in case of the 2009 survey.

Neither the survey on capital market companies of 2009, nor the one on stock market companies conducted in 2010 was representative; therefore, the results cannot be generalized to the Polish stock market companies overall, and they cannot be generalized to all companies in Poland either. However, the surveys' results may be used as the source of information on the policy of public companies in the area of equalising women's chances, as well as the source for hypotheses to be verified in the further surveys concerning correlations between the share of women in the Board and the company's profitability.

## Women among the employed

Companies that answered the questionnaire in 2010 employed the total of about 87 thousand people, including about 38 thousand women. The share of women in the human resources of the surveyed companies comprised 43.8%, i.e. it fell slightly below the country's average (among the total number of the employed in Poland women constitute 45%).

The share of women among the employed was decidedly higher in joint-venture companies (53%) than in the other ones (32%). Companies managed by a man employed a similar number of women as the ones managed by a woman (respectively 44% and 48%). Companies of the primary market characterised a higher level of female employment (44%) than the NewConnect companies (29%). Large stock market companies and small companies characterised similar shares of employed women (respectively 44 and 41%), while the share of women in medium companies was the lowest (34%).

Companies of the industry and construction branch employed relatively lowest number of women – only 27%, whereas companies of the financial sector employed as many as 64%, while the IT and other services companies – 51%.

The obtained results confirm that employed women are better educated than employed men. Women constitute more than a half among the staff with tertiary education (51.7%), and 45% among the staff with secondary education, while men clearly dominate among workers with education below secondary (71.9% as compared to 28.1% of women). The share of women with tertiary education is particularly high in

**Table 2. Stock market companies by average number of employed in the executive suite, including women and their share among managers in 2010 and 2009**

Specification	Number of companies	Average number of managers per one company		The share of women % in 2010	The share of women % in 2009
		women	total		
Total managerial positions	109	38	101	38.1	38.6
<b>Is it a joint-venture company?*</b>					
Yes	23	118	262	45.2	45.2
No	85	17	58	29.5	29.3
<b>The company's CEO's sex</b>					
Man	95	42	112	37.9	38.0
Woman	14	10	24	44.2	49.8
<b>The company's type*</b>					
A primary market company	85	48	125	38.4	37.5
A NewConnect market company	22	4	15	30.8	38.5
<b>The company's sector</b>					
Finances	18	125	249	50.3	47.5
Industry, construction	64	17	71	24.9	27.4
IT and other services	27	30	75	40.7	29.4
<b>Actions targeted at promoting women</b>					
There are some actions	62	49	122	40.4	42.2
No actions	47	24	73	33.1	32.7

\* Without lack of data

Source: as in Table 1.

companies of the financial sector and in joint-venture companies.

### Women in the executive suite

Among the total number of managers 38.1% comprised women and 61.9% men. Among the top executive managers (Boards and Supervisory Boards) women constituted 16.0%, among the managers of higher level (directors of departments, sections, etc.) – 32.9%, while among the managers of the lowest level (heads of units) – the highest number – 42.2%. In the survey of 2009, the share of women holding the top and higher executive positions was higher mainly due to the fact that more companies of the financial sector, including banks, and smaller companies answered the questionnaire. The share of women among the total number of managers was in the surveyed companies higher than the average for Poland, comprising 36% (CSO, IV quarter of 2009).

Joint-venture stock market companies characterise a higher share of women in the executive suite than local equity companies – respectively 45.2%

and 29.5% (see table 2). When the company's CSO is a woman, the share of women in management is higher than in case of the male company's director or president – respectively 44.2% and 37.9%. The relatively highest share of women among managers characterise companies of the financial sector (50.3%), while in industrial and construction branch, the respective rate amounted to only 24.9%, which may be explained by a low share of women among the employed in companies of this sectors. Similar correlations were observed in case of the 2009 survey.

The larger the enterprise is the higher the share of women on managerial positions. However, it is only true for the overall figure of the executive staff, as in case of the top executive level the reverse correlation is observed – large companies have the lowest share of women in their Boards and Supervisory Boards. In case of other levels of management, the company's size does not differentiate the share of women (see table 3).

Similarly, it may be observed that the more women are employed the higher their share among the total number of managers, also on particular executive

**Table 3. Women in the executive suite by the size of stock market companies and level of management in 2010 and 2009**

Specification :	Number of companies	Average number of managers per one company		The share of women % in 2010	The share of women % in 2009
		women	total		
Total in the executive suite	109	38	101	38.1	38.6
in which companies :					
– small (up to 49 of the employed)	21	3	10	27.5	39.6
– medium (50-249 of the employed)	39	7	24	29.5	34.0
– large (250 or more of the employed)	49	79	201	39.2	39.3
Top executive positions total	109	1	8	16.0	18.7
in which companies :					
– small (up to 49 of the employed)	21	1	6	19.5	28.3
– medium (50-249 of the employed)	39	1	7	19.9	20.0
– large (250 or more of the employed)	49	1	9	12.7	16.6
Higher managerial positions	109	7	22	32.9	41.1
in which companies :					
– small (up to 49 of the employed)	21	0.7	2	33.3	35.7
– medium (50-249 of the employed)	39	2	6	32.6	32.6
– large (250 or more of the employed)	49	14	44	32.9	16.6
Lower managerial positions	109	30	71	42.2	39.7
in which companies :					
– small (up to 49 of the employed)	21	1	2	40.4	57.9
– medium (50-249 of the employed)	39	3	11	33.7	39.8
– large (250 or more of the employed)	49	63	148	42.7	39.5

Source: as in table 1.

levels – e.g. the share of women in the Boards and Supervisory Boards comprised 19.2% in the companies with a high share of the employed women (feminized), whereas it was 13.4% in the companies with a low share of women (masculinized); on the higher and lower levels of management these differences are more obvious.

The data obtained in both surveys allow formulation of the following conclusions:

- the higher executive positions are the lower percentages of women
- the larger a company is the lower share of women on top executive positions
- the company's branch differentiates the share of women in the executive suite
- companies with a high share of women among the employed (feminized) characterise higher share of women holding executive positions than masculinized companies.

Carrying out the programmes targeted at equalising chances and promoting women by enterprises is accompanied by the overall higher percentage shares of women in their executive suites – 40.4% as compared to 33.1% in the enterprises that have not implemented any such actions. The obtained data indicate that women-friendly actions mainly facilitate increasing participation of women among directors

of departments and sections (higher level) – women constitute 35.9% in companies where such actions are carried out, whereas the respective share comprises 23.2% in companies without such actions. The women-friendly solutions do not influence their share in the Boards and Supervisory Boards – in companies implementing such actions the respective rate comprises 15.5%, whereas in companies where no actions are carried out – 16.9%.

### Declared actions targeted at equalising chances of women

In May 2010, the WSE Supervisory Board adopted resolution that „recommends to public companies and their shareholders to ensure a balanced share of women and men performing managerial and supervisory functions in enterprises, thus strengthening creativity and innovativeness in the process of economic activity conducted by companies”.<sup>2</sup> The resolution was adopted during the survey implementation, therefore its impact will be only visible in the successive years.

Among the total number of the surveyed stock market companies 62 (56.9%) declared carrying out actions aimed at equalising chances of women and promoting them to the executive positions. One third of the companies (32.1%) implemented one action,

**Table 4. Stock market companies by declared actions facilitating equal chances of women and their promotion to executive positions**

Actions	2010		2009	
	Number	Frequency (%)	Number	Frequency (%)
The enterprise has the clearly defined and made known to both female and male personnel principles of promotion	38	34.9	35	36.8
The results of the surveys showing that more women on the top executive levels means better profitability are known in the enterprise	32	29.4	16	16.8
The enterprise has been monitoring earnings by gender, i.e. the analysis on average earnings of women and men on particular positions is carried out annually in order to prevent pay inequality	24	22.0	23	24.2
There are organized special seminars and training for women (e.g. mentoring, coaching) in order to increase their share on managerial positions	8	7.3	7	7.4
There is appointed a plenipotentiary (specialist) for equal treatment and preventing discrimination in the place of work	7	6.4	-	-
The enterprise carries out actions assisting women in planning their professional career (women's clubs, leadership programmes)	3	2.8	11	11.6
The enterprise applies positive discrimination within the legally set boundaries, i.e. prefers for promotion representatives of the gender that is underrepresented on a given position	2	1.8	3	3.2
Company has a special units for equal treatment and combating discrimination in the workplace	1	0.9	4	4.2
No actions	47	43.1	43	45.3

Source: as in table 1.

while 11.9% – two actions. Fifteen companies carried out between 3 and 7 actions.

Among firms that undertook any actions, the most often declared was a solution comprising having clearly defined and made known publicly (to both female and male staff) promotion principles (34.9%) and monitoring salaries by gender (22.0%).

In 29.4% companies, the staff of the human resource units completing the questionnaire claimed the knowledge of the results of the surveys showing that more women on the top executive positions influence better profitability of a company<sup>3</sup> – it is worth to underline that this figure was decidedly higher than in the survey of 2009 (16,8%). Only 8 companies organized special training for women in order to increase their number among managers, while 7 companies

have appointed a plenipotentiary for equal treatment and combating discrimination in the work place. Only three companies carried out actions targeted at assisting women in career planning, one company included in its structures a separate unit for equal treatment, while two companies applied equalising actions, i.e. the so-called positive discrimination (see table 4).

The highest number of actions have been implementing companies of the financial sector – there are on average about 1.6 different actions per one of them, the joint-venture companies capital (1.4) and small companies (1.4). Interesting seems the fact that small companies may be commended for the higher average number of women-friendly actions than large firms, although the reverse situation may seem more logical, considering the fact that firstly, large stock market

**Table 5. Women among the top executive managers in 2010 and 2009**

Specification	Number of companies	Average number of the Board and Supervisory Board members per one company		Share of women % 2010	Share of women % 2009
		women	total		
Total top executive level of management	109	1	8	16.0	18.7
<b>The company's size</b>					
Small (up to 49 employed persons)	21	1	6	19.5	28.3
Medium (50–249 employed persons)	39	1	7	19.9	20.0
Large (250 or more employed persons)	49	1	9	12.7	16.6
<b>Is it a joint-venture company?*</b>					
Yes	23	1	11	10.9	19.9
No	85	1	7	18.2	18.7
<b>The company's CEO sex</b>					
Man	95	1	8	13.8	15.8
Woman	14	2	6	37.6	51.4
<b>The company's type*</b>					
A primary market company	85	1	8	14.3	18.0
A NewConnect market company	22	1.5	6	24.0	21.4
<b>The company's sector</b>					
Finances	18	1.5	8	18.1	22.6
Industry, construction	64	1	8	14.5	20.7
IT and other services	27	1	7	18.4	15.6
<b>Percentage of women among employed</b>					
Low (up to 28.6%)	48	1	8	13.4	14.2
Medium (28.7-54.1%)	30	1	8	17.0	12.2
High (over 54.2%)	31	1.6	8	19.2	32.4
<b>Actions targeted at promoting women</b>					
There are some actions	62	1	8	15.5	17.7
No actions	47	1	7	16.9	20.3

\* without lack of data

Source: as in table 1.

companies employ more women, and secondly, they have adequate means both financial, as well as organizational for implementing diverse actions.

### **Women in the Boards and Supervisory Boards of capital market companies**

Women holding positions of general directors, presidents, deputy presidents, board and supervisory boards members constituted almost 19% in 2009 and 16% in 2010. The indicators are slightly higher than those recorded among the largest 500 American companies, where in 2009 women in the Boards constituted 15.2%, or Canadian ones, where this indicator reached the level of 14%. The respective rates are evidently higher comparing to the European average comprising 9.7%<sup>4</sup>.

Companies without any women in the Board or Supervisory Board constituted almost 1/3 of the total number of the surveyed companies. Those with one or two women on this executive level constituted 47.7%, while companies with 3 to 5 women – 20.2%.

The subject literature<sup>5</sup> underlines the fact that similarly to decision-making positions in politics, also in economy exceeding the „critical mass” of 30% women in the executive suite results in their real influence on decision-making. Among the companies that answered the questionnaire, this condition was met by 24, which comprised 22.1%.

A female CEO accompanies a higher share of women on top executive positions – 37.6% as compared to only 13.8% in case of the enterprises with male CEOs (see table 5). It is to some extent caused by the fact that female CEOs are also counted among the total number of women in the executive suite; it may also confirm the fact that they “pull along” other women.

The companies recorded on the primary market have fewer women on the top executive positions than the NewConnect companies – respectively 14.3 and 24.0%. Companies of the financial sector and service sector businesses have more women in the Boards and Supervisory Boards than companies in the industry and construction sector. The higher the shares of women among employed is the stronger they are represented on the top executive levels.

The presence of women among the top executive managers does not correlate with implementation of the equal chances policy – percentage share women in the Boards of the companies that do not carry out any actions is slightly higher than in the companies that declared some actions, which indicate the results of both surveys – conducted in 2009 and 2010. As was mentioned before, implementing actions promoting women translates into a growth in their share on

intermediate and lower levels of management, which is also positive, considering that it increases the pool of women who may be recruited to top executive positions.

### **Women as the CEOs of stock market companies**

Among 109 surveyed stock market companies in 14 the CEO was a woman (in the survey of 2009 the number of female CEOs was similar – 13). The share of women among directors or presidents of the stock market companies participating in the survey in 2010 comprised 12.8% (in 2009 – 13.7%) and was higher than estimated data for the total number of stock market companies<sup>6</sup>.

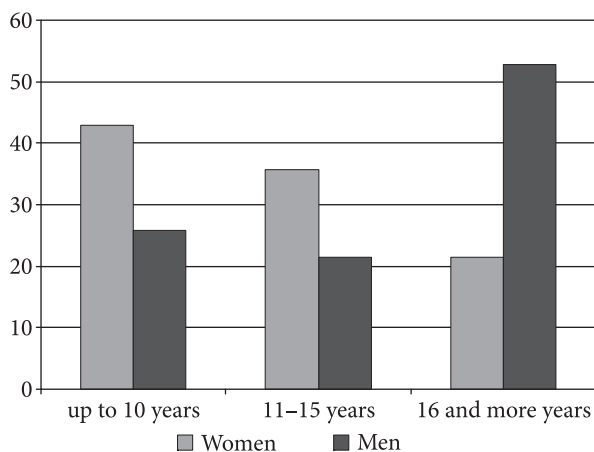
The smaller a company is the more often it is managed by a woman: 23.8% in case of small firms and only 4.1% (2 women) in case of large ones. Among the surveyed companies of the financial sector 3 per 18 had a female CEO (which constituted 16.7%), among companies of the IT and other services sector – 4 per 27 had a female CEO (14.8%), while in case of industry and construction sector – in 7 per 64 companies the CSO was a woman (10.9%). Female CEOs less often manage the companies recorded on the primary market than the NewConnect companies – respectively 11.8% and 18.2%.

Joint-venture companies less often than local equity companies were managed by female CEOs – respectively 8.7% and 14.1%. A different situation was observed in case of the 2009 survey, when joint-venture companies were managed by a woman more often than companies with exclusively Polish capital. However, the 2009 survey covered all capital market companies, among which relatively large number comprised banks, brokerage companies, and investment funds.

The companies carrying out actions aimed at equalising women’s chances, the share of female CEOs is similar to the other ones. It may be because the implementation of solutions such as assistance in planning professional career, special training, or introducing special privileges (the so-called positive discrimination) was rarely executed in the surveyed companies, but such actions to the greatest extent facilitate promoting women on top executive positions.

Companies managed by women are younger (they have been operating on the market for a shorter duration) than those managed by men (see figure 1). Among companies with female CEOs, 42.9% constituted companies active for less than 10 years, while 21.4% – the ones established more than 16 years ago. Among companies with male CEOs, the majority comprised the ones existing for 16 years or more – 52.7%. While companies with a shorted history on

the market (up to 10 years or 11–15 years) in 20% are managed by a woman and in 80% by a man, the companies with the longest history of operating on the market – only in 5.8% (3 companies) are managed by a woman and in 94.2% by a man.



**Figure 1. The CEO's sex by a duration of stock market companies (in % by sex)**

Source: results of the survey *Women in stock market companies 2010*.

## Company profitability

One of the important objectives of the survey initiated in 2010 was obtaining the information on financial outcomes of the stock market companies and confronting them with the share of women in the Boards and Supervisory Boards; therefore the attempt at answering the question whether in the Polish public companies a high share of women on the top executive positions positively correlates to the company profitability. The surveys carried out in the USA, United Kingdom or Sweden indicate such correlation: the higher number of women in the Board translates into higher profitability.<sup>7</sup>

Similarly to the Roy Adler's studies on the largest American companies carried out in the years 1989–1998<sup>8</sup>, the percentage share of profit in three values characterising the company's financial outcome was applied to perform the analysis on the company's profitability. The mentioned features are: the total value of assets, market value (equity) and net revenues from sales. In the analysed surveys such data was gathered for two moments: 2008 and 2009 in order to pinpoint the impact of the crisis on the financial condition of the surveyed stock market companies.

Firstly, let's look at some general conclusion emerging from the obtained data. The first one concerns comparison of the financial outcomes in both analysed periods, which is presented in table 6 on the

example of the share of profit in the total value of assets.

**Table 6. Surveyed stock market companies by financial outcomes in 2008 and 2009 (measured with the share of profit in total value of assets)**

Year 2008	Year 2009			Total
	Loss	Profit below 10%	Profit 10% and higher	
Loss	11 10.5%	10 9.5%	–	21 20.0%
Profit below 10%	10 9.5%	40 38.1%	8 7.6%	58 55.2%
Profit 10% and higher	2 1.9%	9 8.6%	15 14.3%	26 24.8%
Total	23 21.9%	59 56.2%	23 21.9%	105 100.0%

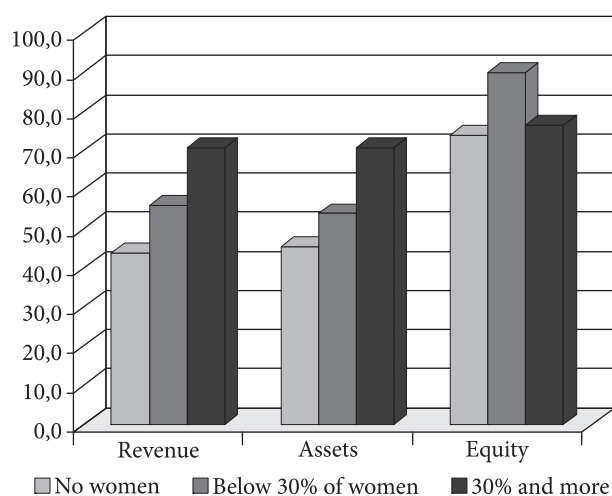
$\chi^2(4) = 37,53493$ ;  $p < 0.05$

Note: the table presents data concerning the percentage share of profit in the total value of assets, as only in this case a significant correlation is observed between the results recorded in 2008 – before the crisis – and in 2009, i.e. during the crisis (in case of the share of profit in net sales revenues or the company's market value no significant correlation was found).

Source: results survey *Women in stock market companies 2010*.

The data presented in Table 6 show that a majority of the analysed stock market companies – 68.6% (the sum of boxes marked with colour) – recorded a profit in both analysed periods. Companies that suffered losses in both surveyed periods constituted 10.5% (11 companies). The ones that recorded profit in 2008 while in 2009 had losses, constituted 11.4% (12 companies), while those that suffered losses in 2008 and had profit in 2009 – 9.5% (10 firms). Companies that recorded profit in 2008, also in 2009 enjoyed good financial outcome (correlation on the statistically significant level). Companies that recorded loss in 2008, either suffered loss or recorded a small profit in 2009, while those that had high profit in 2008, usually also reached such profit in 2009. Therefore, a conclusion may be drawn, that firms enjoying good economic condition in 2008 suffered effects of economic crisis to a lesser extent.

The second observation, which has a character of a general conclusion, indicates that companies with a female CEO more often than the ones with a male CEO suffered loss in both surveyed periods, at the same time they more often had profit in 2009 with a loss recorded in 2008. However, the obtained results indicate that the company director's gender did not influence its financial outcomes in a statistically significant way.



**Figure 2. The percentage share of the surveyed stock market companies that recorded a growth in 2009 compared to 2008 according to the share of women in the Boards and in Supervisory Boards**

Source: as in Figure 1.

The third conclusion concerns correlation between the share of women on the top executive level (the Board and Supervisory Board) and financial outcomes in 2009 in relation to 2008. In order to illustrate this correlation a nominal value of the growth in the value of assets, net sales revenues, and equity was used – Figure 2 presents the percentage of firms

that recorded growth. Companies with the share of women in the Board and Supervisory Board comprising no less than 30% (the third column in figure 2) more often recorded a nominal growth in both: net sales revenues, as well as the value of assets in 2009 as compared to 2008 than companies with no women in the Boards/Supervisory Boards (the first column in Figure 2), or with their share below the 30% threshold (the middle column). Therefore, it may be observed that a higher share of women in the Board or/and Supervisory Board facilitates better financial outcomes of companies.

Then, returning to the indicators applied by Adler, the data presented in Table 7 refer to them showing the financial outcome of the companies that have at least 30% women in the Boards and Supervisory Boards (there were 24 such companies) and those with a lower share of women on the background of the total of the surveyed companies. The data in Table 7 shows that the former companies (with 30% or more women) less often than the latter ones (with less than 30% of women) suffered losses and more often were profitable. However, the tendency quite clearly outlined in 2008 was not so unambiguous in 2009. The correlation might be disturbed by the economic crisis, which had a diverse impact on financial condition. Therefore, the interpretation of the obtained results allows only to indicate the outlined tendencies and to put forward hypotheses to be verified through the further studies based on the larger and more representative samples of enterprises.

**Table 7. Surveyed stock market companies by financial outcomes and the share of women in the Boards and Supervisory Boards (% of firms)**

Financial outcome	2008			2009		
	total	The share of women below 30%	The share of women 30% or more	total	The share of women below 30%	The share of women 30% or more
Value of assets						
- loss	19.8	21.9	12.5	21.9	21.0	25.0
- profit below 10%	55.7	58.5	45.8	56.2	60.5	41.7
- profit of 10% and more	24.5	19.5	41.7	21.9	18.5	33.3
Total number of companies firm	106	82	24	105	81	24
Capitalization (equity)						
- loss	23.4	25.0	17.6	21.4	19.1	28.6
- profit below 10%	41.6	38.3	52.9	60.7	61.9	57.1
- profit of 10% and more	35.1	36.7	29.4	17.9	19.1	14.3
Total number of companies	77	60	17	84	63	21
Net sales revenues						
- profit below 10%	19.2	22.2	8.7	22.3	21.5	25.0
- profit of 10% and more	51.0	45.7	69.6	50.5	49.4	54.2
	29.8	32.1	21.7	27.2	29.1	20.8
Total number of companies	104	81	23	103	79	24

Source: results of the survey *Women in stock market companies* 2010.



## Women among the managerial staff of the Warsaw Stock Exchange

Two women have been among the four persons comprising the Board of the Stock Exchange since 2006. As regard the Stock Exchange Board (equivalent of the Supervisory Board) there were no women in the years 1991–1993. The first woman entered the Board in 1994. In the successive years, between one and four women held positions in the Stock Exchange Board. In 2010 two women were the Board members (29%).

In the years 2000–2010, women constituted between 39% in 2002 to 50% in 2004 of the Warsaw Stock Exchange executive suite, i.e. among directors and team leaders; in 2010 their share comprised 47% (for comparison – according to the CSO data at the end of 2009, women constituted 36% the total number of managers in Poland<sup>9</sup>).

The share of women in the Stock Exchange Board and in the executive suite is currently (in 2010) higher than 10 years ago. Another positive tendency of changes is an increase in the percentage women who hold positions in the Stock Exchange Board in relation to the total number of employed women (from 1.6% in 2000 do 3% in 2009 and 2% in 2010), while at the same time this indicator has dropped in case of men – from almost 9% to 3%.

The financial outcomes of the WSE measured with profit as a percent of sales revenues were in 2009 higher than in 2008 – respectively on the level of 44 and 47%, which should be regarded as high. The share of profit in the value of assets stayed on a level of about 10%.

### Recapitulation

The share of women among the total number of managers in Poland is one of the highest in the European Union. The surveys carried out on the initiative of the Warsaw Stock Exchange in 2009 and 2010 indicated that in capital market companies and stock market companies, the share of women in the executive suite of all levels exceeds the country's average. The conducted surveys confirm the regularity that the higher the steps of the executive ladder are the lower shares constitute women – on the top executive positions men decidedly dominate, also in those companies where the feminization rate of their human resources is relatively high.

Joint-venture companies distinguishes implementation of the solutions promoting women to the executive positions, but mainly on the intermediate level, despite the fact that the employed by them women usually have tertiary education. These companies seem to be introducing western practices to

the Polish business reality, as they more often present the belief that employing women and ensuring equal chances for their promotion to the executive positions, is not only a manifestation of obedience of the anti-discrimination law, but it also generates benefits for the company – staff diversity facilitates higher effectiveness.

The Stock Exchange that undergone an evident evolution in the area of equalising chances of women and promoting them to the executive suite, including the top management level positively stands out against the background of the surveyed companies. It provides an example of good practice in this field. The WSE Board comprises equal numbers of women and men. In the special resolution of 19 May 2010, the WSE recommended to all public companies adoption of solutions targeted at ensuring equal shares of women and men on the top executive levels, as it is profitable for the company's development.

The conducted surveys – which were precursory in Poland – examining the situation in public companies lead to conclusion that there are still too few of them that are oriented towards the intentional benefiting from the diversity of women's and men's talents. Particularly, the largest companies and companies from the industry and construction sector do not appreciate advantages of diversity and to a lesser extent make efforts aimed at employment of women or promoting them to the top executive positions.

The companies implementing programmes targeted at equalising chances of women, such as special training including mentoring and coaching, planning professional career, positive discrimination. Few companies may be commended for having a female or male specialist for equal treatment whose task comprises monitoring the situation and reacting to any manifestation of discrimination based on gender or any other socio-demographic characteristics of the employed. Among the gender leaders, i.e. firms that declared implementation of between four and seven "women-friendly" solutions are the Bank BPH SA, Auxilium (the Expert Auditors Consulting Company), ATON-HT – waste utilization services, Mediatel SA – telecommunication services, Elektrobudowa SA – service and production of electric power equipment, KOGENERACJA SA – Wroclaw network heat and electricity, ARCUS SA – IT company.

Polish public companies lack the approach characterising with purposeful increasing the number of women in the Boards and Supervisory Boards – following, e.g., the example of the „Fortune 500” largest American companies, or the Norwegian experience where quotas were adopted in business. Whereas,

the initiated for the first time in Poland analysis on the company profitability depending on the share of women on the top executive level allows a hypothetical conclusion that the companies where this share comprises 30% or more the profitability of the company is higher, at the same time these firms slightly better cope with crisis. The obtained data should be considered as a forerunner of oncoming tendencies and as an indication to further studies.

- <sup>1</sup> The 2009 survey results were widely discussed in: L. Adamska, B. Jarosz, E. Lisowska, *Kobiety w spółkach rynku kapitałowego [Women in capital market companies]*, [in]: *Kobiety dla Polski, Polska dla kobiet. 20 lat transformacji 1989–2009 [Women for Poland, Poland for women, 20 years of transformation 1989–2009]*. Report of the Congress of Polish Women, Warsaw 2009, p. 87–111.
- <sup>2</sup> Resolution No. 17/1249/2010 of the Supervisory Board of the Warsaw Stock Exchange P. A. of May 19, 2010 on adoption of changes of „Good Practice Companies recorded on the WSE” .
- <sup>3</sup> Equal chances policy results in economic profits, which indicate results of the European Commission survey of 2005 carried out among almost 800 firms in 25 EU countries (see.: *The Business Case for Diversity. Good Practices in the Workplace*, European Commission 2005, p. 20–22). Each year, the Cranfield University research team analyse 100 largest companies recorded on the London Stock Exchange and publish female FTSE index, which show that companies with at least one female CEO enjoy better profitability than those without women on top executive positions (after: *Good Practice Guide – Equal Opportunities Company*, Gender Index, EQUAL, UNDP, Warszawa 2007, p. 32). American surveys on the largest „Fortune 500” companies carried out in the years 1980–1998 prove that high percentages of women in the executive suite strongly correlate to the company’s profitability. See: D. Adler, *Women in the Executive Suite Correlate to High Profits*, 2001, [www.equalpay.nu/docs/en/adler\\_web.pdf](http://www.equalpay.nu/docs/en/adler_web.pdf)).
- <sup>4</sup> Based on: *Catalyst Census of Women Board Directors*, [www.catalyst.org](http://www.catalyst.org). See also: E. Lisowska, *Kobiety styl zarządzania [Female style of management]*, Helion, Gliwice 2009, p. 17–19. Scandinavian countries characterise the highest participation of women in company boards among the European Union countries; in Norway the share comprises 44%, which is the effect of adoption of the quota system in 2003.

- <sup>5</sup> E. Lisowska, *Kobiety styl zarządzania [Female style of management]*, OnePress, Helion, Gliwice 2009, p. 166–167.
- <sup>6</sup> Data for 2009 comprise 3% in stock market companies recorded on the primary market and 9% in case of the NewConnect companies – based on the analysis carried out by „Puls Biznesu” in companies recorded on the stock market. See: *Piękniejsza strona rynku NewConnect [The prettier side of the NewConnect market]*, „Puls Biznesu”, 13.01.2009.
- <sup>7</sup> About the surveys results see: Economic benefits of the equal chances policy, in: *Good Practice Guide – Equal Opportunities Company*, EQUAL, UNDP, Warsaw 2007, p. 31–34 and 36–46.
- <sup>8</sup> D. Adler, *Women in the Executive Suite Correlate to High Profits*, 2001, [www.equalpay.nu/docs/en/adler\\_web.pdf](http://www.equalpay.nu/docs/en/adler_web.pdf)
- <sup>9</sup> *Labour Force in Poland, IV quarter 2009*, CSO, Warsaw 2009, p. 150.

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