

WOMEN ON THE VERGE: CORPORATE POWER IN LATIN AMERICA



APRIL 2005

REPORT OF THE WOMEN'S LEADERSHIP
CONFERENCE OF THE AMERICAS

PRODUCED IN COLLABORATION WITH
SIMMONS SCHOOL OF MANAGEMENT



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PREPARED BY SYLVIA MAXFIELD

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Foreword

This report tells an amazing success story, one that would have been unthinkable just ten years ago. According to the surveys conducted by the Inter-American Dialogue and Simmons School of Management, women in corporate Latin America are approaching 35 percent at the department/area head and director/manager levels. Clearly, women are a significant force in Latin American firms, advancing steadily through the corporate hierarchy. In fact, their success at achieving management positions in the private sector mirrors their steady expansion of power in the political realm, where women's participation in legislatures in the region has doubled since 1990—from 8 to over 16 percent. Women are clearly overcoming traditional obstacles to power in government, business, and the professions.

These impressive gains, however, have been uneven across countries, firms, sectors, and functions—and still lag behind women's educational achievement and their participation in the workforce overall. As with politics, the highest circles of power still remain largely male-dominated—though not for long, we predict. The good news is that the pool of women well trained for business careers is growing across Latin America, although corporations may now be underutilizing them. While there are more women at all levels of the corporate hierarchy and in all job functions, our research findings suggest that Latin American businesswomen still face glass walls and a ceiling. But as we have seen in other parts of the world, women will surely break through these barriers with time, as increasing numbers enroll in nontraditional courses of study and work their way through the ranks in alternate fields. Among the advancement challenges women report, work-family balance is the most crucial. Latin American women tend not to mention discrimination when interviewed about their careers.

These are the major conclusions of a report undertaken by the Inter-American Dialogue and the Simmons School of Management. Based on a review of existing literature, surveys of 75 firms in the region, seven country case studies, and interviews with over 120 senior business women conducted in those same countries—Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, and Venezuela—the project set out to document women's presence in the Latin American business world, investigate differences across sectors, functions, and generations, and convey senior women's views of obstacles and opportunities for advancement.

Our goals in undertaking this project were manifold: to facilitate women's networking and support in the private sector, collect and publicize data, and disseminate our findings to leaders throughout the hemisphere—in particular CEOs and human resource professionals in a position to influence corporate policy, and legislators and government officials with influence over the regulatory environment. There is a clear need for data and analysis on women in business as a basis for private actions and public strategies to take better advantage of talented women in corporate management. Research shows that what is good for women is good for business organizations as a whole, especially for organizational leadership.

We believe that the number of women in leadership is a concrete indicator of an organization's progress (or lack thereof) toward fulfilling its commitment to equity. The Dialogue has produced this report as part of its continuing efforts to monitor progress by public and private organizations in advancing women into leadership.

The Dialogue's work on women is carried out under the auspices of the Women's Leadership Conference of the Americas (WLCA)—a network of 100 women leaders drawn from throughout the hemisphere, dedicated to expanding the numbers and enhancing the contribution of women in top leadership positions in Latin America and the Caribbean—and, in so doing—to helping to improve opportunities for all women. The group's commitment to this mission is based on the conviction that leadership does matter, and that women in positions of power and influence will contribute in critical ways to the broader expansion of women's rights and opportunities in all sectors.

WLCA Co-Chairs Ruth de Krivoy of Venezuela and Lourdes Flores Nano of Peru deserve special gratitude for their valuable contributions to the Dialogue's work on women's leadership and for their steadfast guidance over the years. We are also grateful for the sustained support of the GE Foundation, The Ford Foundation, and the Simmons School for Management in Boston, without which this report would not have been possible. Special thanks are in order to Sylvia Maxfield for directing the research and writing the report. Her dedication and passion for the subject helped sustain the commitment of our research team. We are particularly grateful to the authors of the country case studies—Cristina Bruschini, Maria Consuelo Cardenas de Santamaria, Lidia Heller, Nelly Letjer, Molly Pollack, Claudia Samayoa, Gina Zabludovsky, Carmen Lazo, Patricia Marquez, and Andrea Puppini—and to Gillian Morejon who co-authored the chapter on labor laws and, with Viviana Coriat helped administer the project. We also want to thank Isabel Londoño and Kelly Alderson for their tireless work collecting survey data in the Andean region and Brazil, respectively.

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WOMEN ON THE VERGE: CORPORATE POWER IN LATIN AMERICA

Prepared by Sylvia Maxfield¹

In increasing numbers, women are assuming private sector management positions in Latin America—according to the International Labor Organization women comprise about 25 to 35

percent of managers in the region. This is an amazing success story by any standard, and would have been unthinkable just ten years ago. In fact, it mirrors women's steady success at achieving positions of power in the political realm, where women's participation in legislatures grew 100 percent since 1990—from 8 to over 16 percent. Women are clearly overcoming traditional obstacles to power in government, business and the professions.

In the United States, where women are 45 percent of management workers, many corporations pursue gender diversity among their employees for strategic reasons.² A vast majority of Johnson and Johnson's customers are women; to help maintain a customer-focus throughout their operations they believe women should be well-represented in management. Deloitte and Touche pursues gender diversity because women comprise

¹ An expert in economic development, Dr. Maxfield currently teaches economics and strategy at the Simmons School of Management, the only business school in the world with a curriculum designed specifically for women. Dr. Maxfield is lead faculty for a new Spanish-language, on-line, distance-learning course about gender and organizational effectiveness. She has fifteen years of experience in academia, Wall Street and international consulting. She has published dozens of books and articles and served on the faculty at Yale University for ten years, teaching at the School of Management and in the Political Science Department. Among her many non-academic endeavors are consulting projects for the World Bank, IBM, Mitsubishi, Deloitte and Touche, Johnson and Johnson and several Latin American municipalities.

² "The Bottom Line: Connecting Corporate Performance and Gender Diversity," NY: Catalyst, 2004.

“Tremendous opportunity exists for building competitive advantage through gender diversity in the Latin American business world.”

a large portion of the talent pool from which they hire and because the hiring managers to whom they sell their services are often women. Altria believes that understanding what is good for women in an organization is often good for the organization as a whole.

In the United States, organizational research and consulting supports companies striving to learn from and create competitive advantage through diversity. But Latin American enterprises will find very few country specific studies on the role of women in corporate management, and almost none with a regional scope. The goal of this report is to remedy the information vacuum about women in corporate management in Latin America and create the basis for public and private strategies to harness the organizational advantage diversity can create.

Based on surveys of 75 firms in the region and interviews with over 120 senior business women conducted in seven countries—Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, and Venezuela—this report documents women’s presence in the Latin American business world, investigates differences across sectors, functions and generations, and conveys senior women’s views of obstacles and opportunities for advancement. The

findings are drawn from a regional survey and seven country case studies commissioned for the project that, taken together, give an overall view for Latin America of the roles women are playing, how they perceive their careers, and the varied treatment given the topic of women in management. Together, the quantitative and qualitative data from which we draw our conclusions constitutes *the first and only regionally comprehensive report of women’s roles in corporate Latin America*.

Women are increasingly represented throughout the hierarchy and across sectors and job functions in Latin America but there is still room for progress, especially in the highest management positions, in sectors such as energy, telecommunications and manufacturing, and in functions including finance, engineering, and operations. Our report shows that *businesses in Latin America have only just begun to examine the rationale and tools for advancing women’s work*. Companies committed to advancing women in order to create competitive advantage draw from a range of policies and programs including quantitative targets, special professional development programs that particularly benefit women like formal corporate-sponsored mentoring systems, work practice programs for women like flex-time or on-site daycare, and use of ‘corporate anthropologists’ who try to uncover and change gender biases in the workplace.³ Only 25 percent of businesses surveyed report any kind of programs or policies aimed at supporting women’s employment. Many of these would not

³ Deborah Kolb et. al., “Making Change: a Framework for Promoting Gender Equity in Organizations,” *CGO Insight*, No. 1, Boston: Center for Gender in Organization, 1998.

qualify as serious efforts since the most frequently cited programs were recognition of women's holidays. *Our findings highlight the tremendous opportunity that currently exists for building competitive advantage through gender diversity in the Latin American business world.*

Women in Latin American Management: Cross National Comparison

The data in Table 1 portrays the rank order of countries by gender equity in private sector management jobs. Gender diversity is relatively strong in Colombia and Mexico and weaker in Brazil and Venezuela.

Women in Latin America's Corporate Hierarchy

While more and more women work in management jobs generally, they are not as well represented at the highest levels of the corporate hierarchy. (See Figure 1.) On average, Latin American women in the 75 companies surveyed

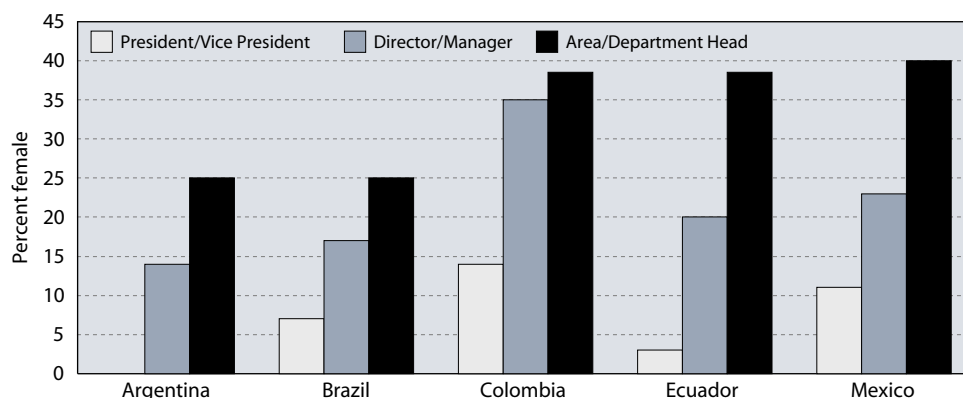
TABLE 1. RANKING OF GENDER EQUITY IN PRIVATE SECTOR MANAGEMENT*

Colombia	29
Mexico	25
Argentina	20
Ecuador	20
Peru	17
Brazil	16
Venezuela	14

*Dialogue/Simmons census includes surveys returned by 75 companies based on employment conditions in 2003–2004. The definition is percentage of women in first, second and third jobs with titles comparable to President/Vice-President, Director or Manager, Section, Area or Department Head.

comprise barely 10 percent of corporate presidents or vice presidents while they make up slightly more than 35 percent of all corporate employees. Yet the degree of women's success at rising in the corporate ranks cannot be overstated. Women are approaching parity with men as area or department heads and are making progress

FIGURE 1. WOMEN IN THE CORPORATE HIERARCHY



"Women are approaching parity with men as area or department heads and are making progress as directors and managers."

in the category of director or manager. *Percentages at these levels are impressive and bode well for more and more women reaching the very top levels in the not-so-distant future.*

At the highest level of the corporate hierarchy, the boardroom, women are still a rarity. In the United States, Catalyst reports women hold 14 percent of board seats in the Fortune 500 companies, up from 10 percent in 1995. But women hold only 3 percent of Mexican companies' board seats.⁴ In Argentina, women constitute 7 percent of board positions and in Venezuela 19 percent of companies had more than two female board members.⁵ This situation may be changing, however, as women currently in the pipeline move up. The number of Mexican companies with at least one female director was 24 percent in 1994 and rose to 52 percent in 2001. In Venezuela, the number of women on boards of directors more than doubled from 5 percent in 1984 to 13 percent in 2000. So there is progress even at the highest levels.

These trends bear careful observation because evidence from the United States, where women have been in the

pipeline for a long time, suggests that they are still not reaching corporate boards to the extent warranted by women's participation at lower levels of the managerial hierarchy.

Glass Walls and Glass Ceilings?

Although they are advancing, women in Latin American business also face "glass walls," much as they do in the rest of the world. They are more likely to achieve parity with men in certain sectors of the economy and in specific job functions. But as we have seen with so-called "glass ceilings" women are likely to be breaking through these walls with time, as increasing numbers enroll in nontraditional courses of study and work their way through the ranks in alternate fields. (See Figure 2.)

As historically true in the United States and Europe, Latin American women are more likely to do corporate work for firms in certain sectors of the economy and in specific job functions. Women comprise the largest share of workers in pharmaceutical and health service corporations, and also hold a large share of jobs in finance sector firms. Women comprise less than 30 percent of workers in two crucial economic sectors for the region: telecommunications and energy. They are also underrepresented compared to men in a category Latin American businesses refer to as "distribution." This includes the many subsidiaries of multinational companies that have sales,

⁴ Gina Zabludovsky and Sonia de Avelar, *Empresarias y Ejecutivas en Mexico y Brasil*, Mexico, D.F.: UNAM, 2001.

⁵ Lidia Heller, *Las que vienen llegando*, Buenos Aires: Nuevohacer, 1999, and *Porque Llegan Las Que Llegan*, Buenos Aires: Feminaria Editora, 1996. Patricia Márquez and Nelly Lejter, *Heratenea: El Nuevo Genero de la Gerencia*, Caracas: Ediciones IESA, 2000.

FIGURE 2. GLASS WALLS—SECTORS

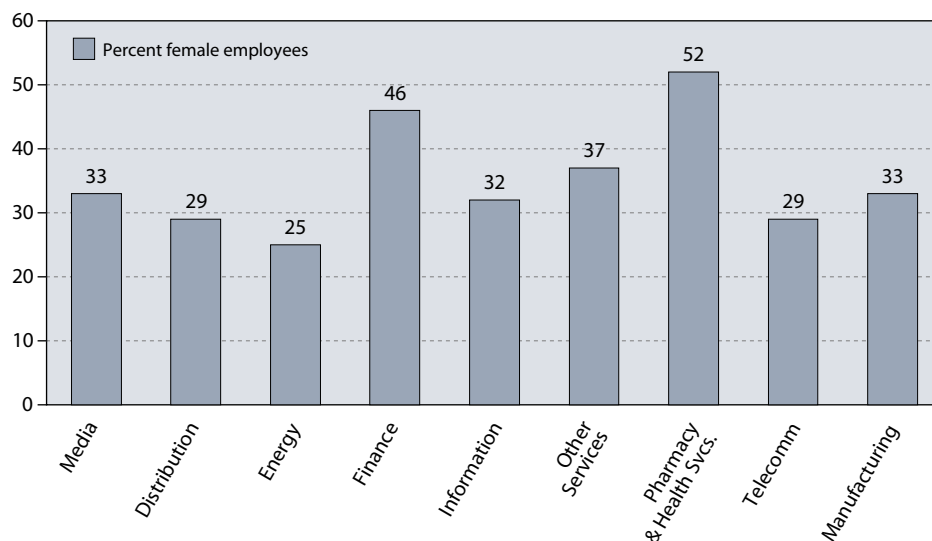


TABLE 2. WOMEN IN THE CORPORATE HIERARCHY: SECTOR DISTRIBUTION*

	Distribution/ Retail	Energy	Finance	Info. Services	Other Services	Pharma. and Health Services	Tele- comm
President or Vice President	5	15	16	5	12	10	10
Director or Manager	22	17	41	32	28	38	35
Area or Department Head	42	26	50	26	25	59	24

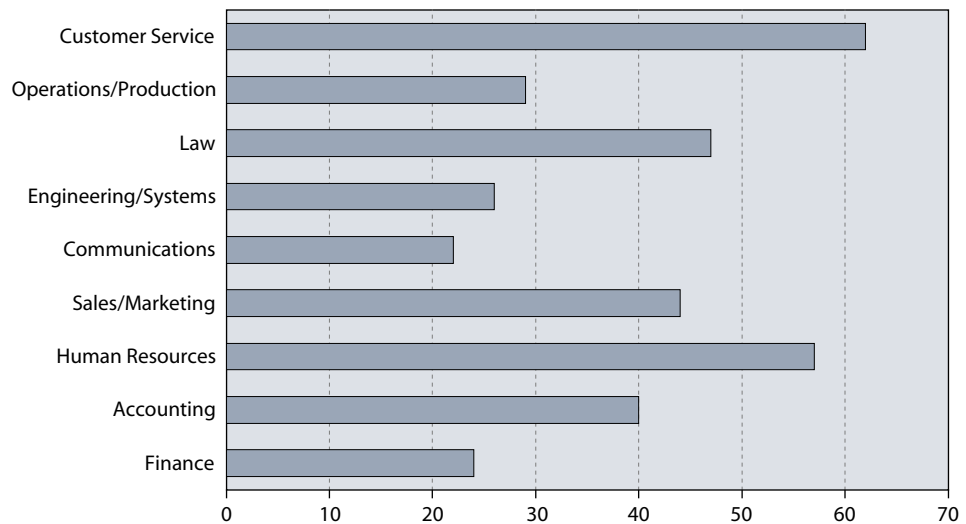
* Percent female

service and distribution offices in countries around the world.

Arenas where women's employment in business is highest overall are not necessarily those sectors in which women are most likely to make it to the top of the corporate hierarchy. Women are over 60 percent of employees in businesses in the pharmaceutical and health services sector, yet they comprise only 10 percent of presidents and vice presidents in that sector. The finance sector presents a contrast. Women are

almost 50 percent of all employees in financial services companies and they are better represented at the highest levels of management than in other sectors—holding 16 percent of president or vice president positions. Interestingly, two sectors with relatively few female employees, energy and telecommunications, rank relatively high (15 and 10 percent respectively) in the number of women at the presidential and vice presidential levels of management. (See Table 2.)

FIGURE 3. PERCENT OF WOMEN IN SPECIFIC JOB FUNCTIONS



Across all sectors, businesswomen are more likely to work in certain job functions than others (See Figure 3). In Chile, women directors and executives are more likely to be found in human resources, marketing, and quality control and are not well-represented in jobs related to finance and operations. In Brazil, senior women most likely work in human resources, accounting, sales and marketing.⁶ Women at the “director general” level in Mexico are best represented in marketing (21 percent are women) and human resources (15 percent are women). In finance only 8 percent of director generals were women and only 1 percent of director generals in line manufacturing were women. Among the 100 best managers listed in the 1999 to 2001 survey by Venezuelan business magazine, *Gerente*, few women listed worked in finance or strategic planning. In Argentina, women managers were 30

percent of managers in marketing, 25 percent in human resources, 15 percent in administration and accounting, 10 percent in finance, 8 percent in systems, and 6 percent in operations.

Women comprise the highest percentage of total employees in jobs categorized as customer service and human resources. There are more women than men performing these functions. Law and sales/marketing are job functions where men and women are participating in corporate employment almost equally. Women are relatively under-represented in Latin American businesses in jobs involving operations/production, finance and engineering/systems.

Impact of Size and Ownership Structure on Women's Advancement in Latin American Firms

Ownership appears to make relatively little difference for gender diversity.

⁶ Andrea Puppini, *Do lugar das mulheres e das mulheres for a de lugar*, Rio de Janeiro: EdUFF, 2001.

Across all three types of ownership structures—companies more than 50 percent government-owned, publicly traded multinationals (companies whose stock changes hands in global stock trades), and privately held firms—the percentage of women in area or department head positions is very similar (See Figure 4). Privately held firms have the strongest gender diversity on average across the three levels of management hierarchy. Multinationals (MNCs) follow close behind. But government-owned companies have fewer women in management jobs than the other two types of firms. Strong results for the privately held firms may reflect the long tradition of family business organizations, where women sometimes come to play a powerful role by virtue of their family connections. The relatively weak results for government-owned firms suggest the limited impact of public regulation and public opinion on gender diversity. Although government firms are subject to public scrutiny they do not deliver as much gender diversity as privately-held firms. Women’s role in the workplace is pub-

licly regulated in most Latin American countries, as in the United States, and equal opportunity laws protect women from gender-based discrimination. (See the chapter on labor laws in the appendix of this volume.) Yet the impact of these regulations is determined by enforcement patterns, which vary considerably across countries. In fact, nearly every country of the region exhibits a considerable gap between law and practice.

Regardless of whether firms are government-owned, privately held, or owned by stockholders whose shares trade on national and international stock exchanges, aspiring women managers seem better off the larger the firm (See Figures 5 and 6). Firms with more than 1000 employees have higher levels of women in management. Large firms also have the highest percentage of women in the top two management tiers. We cannot explain this result but surmise from conversations with human resources professionals in Latin America that larger firms can more easily justify the expense of efforts to advance women into management.

FIGURE 4. WOMEN IN THE CORPORATE HIERARCHY: IMPACT OF OWNERSHIP STRUCTURE

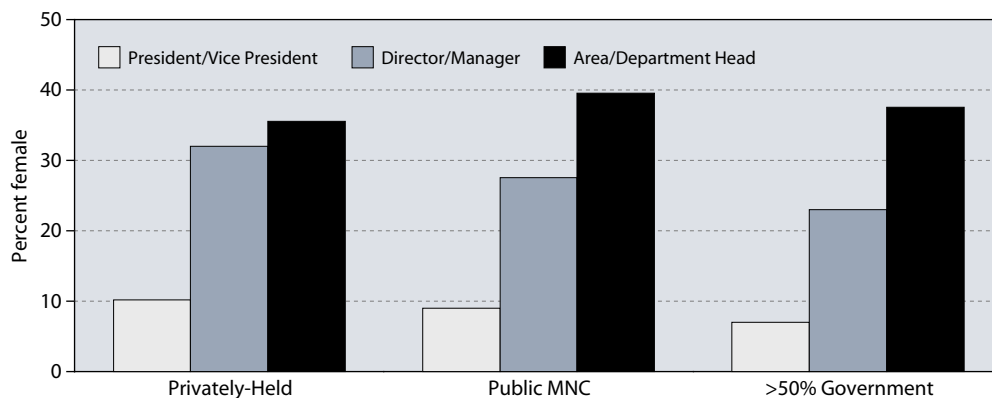
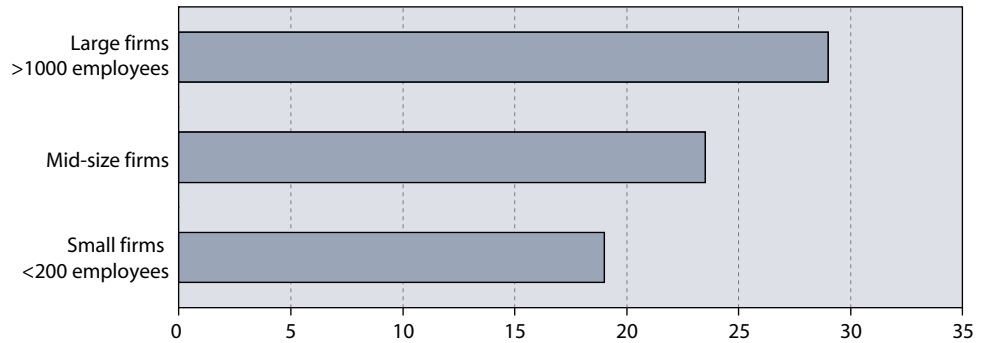


FIGURE 5. PERCENT OF WOMEN IN MANAGEMENT



Women are most likely to work in management and advance to the highest levels of the corporate hierarchy at larger, privately held firms compared to small or medium-sized firms.

Portrait of the Latin American Business Woman's Career

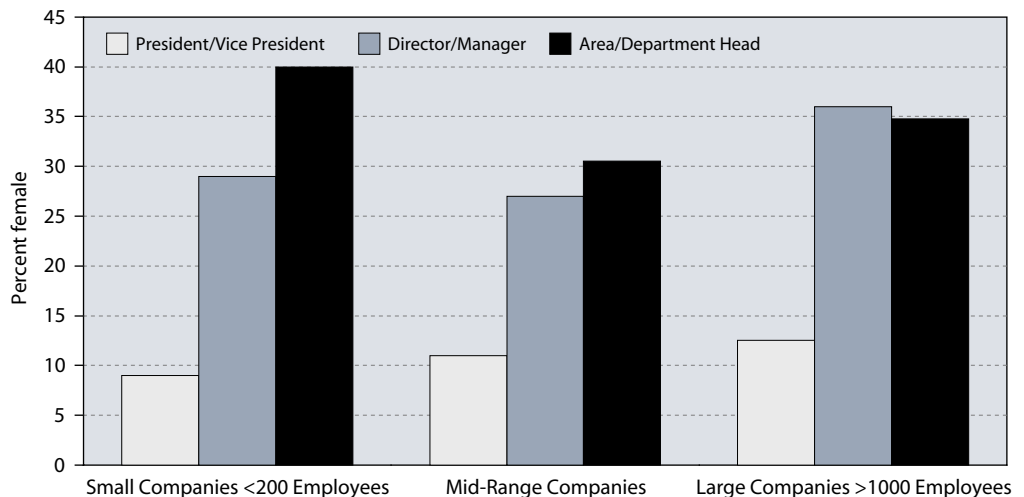
In-depth interviews with individual businesswomen in seven different Latin American countries reveal a portrait of the Latin American businesswoman's career. They hint at generational differences between today's senior women business leaders and the generation of younger women in the

pipeline. Compared with the most studied group of women business leaders in the world, those working in the United States, senior managers in Latin America are:

- more likely to have pursued their career with only one company,
- more likely to be married,
- more likely to have more children than their U.S. counterparts, and
- just as likely as their U.S. counterparts to earn less than men.

Partly because women have different professional motivations, they

FIGURE 6. WOMEN IN THE CORPORATE HIERARCHY: DOES SIZE MATTER?



tend to earn less than their male counterparts. Women do not often cite economic considerations as the primary motivation for their careers and they tend to remain employed with one company for a long time. Both characteristics could explain wage differentials between men and women. Argentine businesswomen frequently said financial concerns were not driving their careers. Perhaps because economic considerations are not primary motivations, Latin American businesswomen also seem less concerned with job titles and the power/status they accord. A Colombia bank president said, “Power and position have never been motivators for me...in my 24 years here I have not met a woman motivated by power.” Another Colombian interviewee hypothesized that because women do not care about job titles they stay with their corporate employers longer than men. Men, by contrast, company-hop in search of more senior job titles and, presumably, higher pay.

While wage gaps between men and women are closing, they remain substantial. Women managers and administrators in El Salvador earn 22 percent less than their male counterparts. The wage gap for CEOs is 39 percent for similar sized firms. In Mexico—where the number of women in business earning ten times the minimum salary is 2 percent while 6 percent of men earn this much—there are more men at the top of the earning scale. In Venezuela, women with a university education, working in any field, earned 17 percent less than men in 2001, down from 28 percent in 1996.

Of the roughly 120 senior businesswomen interviewed, a large majority say they owe their professional success to working harder than their male colleagues. Our data shows this perception is widely shared by women working in different economic sectors and in different countries across Latin America. These results concur with studies of women working in U.S. corporations where the same perception has spurred research and consulting to help enterprises achieve changes in corporate culture. Results of research conducted in U.S. corporations find women’s perceptions are that their colleagues, subordinates and superiors, test them in overt and subtle ways more frequently than they test men, and implicitly hold women to a higher standard than men. We find the same for Latin American women. A Brazilian woman said, “I will have to work harder than the men to advance” and another said, “women cannot afford to make any mistakes.” Colombian women said things like, “I know I have to work three times as hard as a man to advance” and “I was given the opportunity to execute the work of three different people and proved I could do it.” A senior businesswoman in El Salvador reported, “a woman has to do double the work of a man to receive the same recognition.” An interviewee in Venezuela said, “How did I become one of the fortunate few to reach the top? Working at least twice as hard as normal and excelling at every job.”

Organizational behavior experts in the United States have conducted case studies in corporate workplaces of

how the perception and description of work varies across men and women.⁷ These studies usually involve in-depth observation over time in a particular organization and tend to be initiated by managers looking to uncover and change aspects of corporate culture that hinder corporate effectiveness. Our results suggest there is scope for Latin American businesses to improve organizational effectiveness by conducting similar assessments of corporate culture.

Our study also corroborates generational differences Latin American human resources professionals already recognize.⁸ Younger women in the Latin American business world are different from older women in particular ways with specific implications for their career development. Younger women are more likely to change jobs more frequently than the current generation of senior managers, which may help explain why gender-based wage differences are narrowing. Younger women express their most serious career concerns about combining family and work while older women are most concerned about accessing networks that can facilitate their success. Personnel managers have to balance the concerns of different generations of employees and recognize that one policy initiative will not be equally effective across generations.

Women's Views of Obstacles on the Way Up the Corporate Ladder

Latin American corporate women have contradictory views about whether gender has had a negative impact on their careers. While the majority felt they had to work harder than men to advance at the same rate, they did not attribute this to discrimination based on sex. Among the senior businesswomen interviewed in Colombia, most sidestepped questions about whether gendered views of work in organizational or national culture affected their careers. Defining discrimination as differential treatment due to gender, half of the Colombian interviewees said explicitly that it was not a problem. Chilean women interviewed also downplayed the possibility that they were treated differently than men in the workplace because of their gender. A Salvadoran woman interviewed said, "men are intelligent, they know there is no room for discrimination" and notes that younger women are less passive about gender issues. Another Salvadoran woman was very optimistic saying over the previous twenty years she witnessed discrimination against women diminish considerably. Several women in different countries spoke of an eroding machismo giving way to an acceptable paternalism

⁷ Maureen Scully, "Careers, Rewards and Human Resource Management: What is Merit?" *CGO Commentaries*, No. 1, Boston: Center for Gender in Organization, 2004; Joyce Fletcher and Deborah Merrill-Sands, "Looking Below the Surface: The Gendered Nature of Organizations," *CGO Insights*, No. 2, Boston: Center for Gender and Organizations, 1998; Gloria E. Miller, "Frontier Masculinity in the Oil Industry: The Experience of Women Engineers," *Gender, Work and Organization*, Vol. 11, No. 1, pp. 47–56, 2004; Patricia Yancey Martin, "Mobilizing Masculinities: Women's Experiences of Men at Work," *Organization*, Vol. 8, No. 4, pp. 587–618, 2002.

⁸ Lidia Heller, *Las que vienen llegando*, Buenos Aires: Nuevohacer, 1999.

or protectiveness. Older women in the Mexico study were more likely to see machismo as an obstacle to their advancement than younger women. Consistent with an ambivalent view about whether they have been treated differently than men to the detriment of their careers, Latin American women often firmly reject the idea of quota policies and affirmative action. One Argentine businesswoman said, “I want to succeed on my merits as a businessperson, not a woman!” Businesswomen interviewed in Brazil also opposed quota policies.

Nonetheless, other evidence from the interviews contradicts these views that gender biases do not exist or that there is no unequal treatment for men and women in the workplace. Both male and female corporate presidents mentioned stereotypes about women embedded in national culture as the biggest obstacles Mexican businesswomen confront. Argentine executive women also pointed to negative stereotypes and social norms as the main obstacles to women’s corporate success. Only a few of the women interviewed referenced specific examples of unequal treatment of women. One woman from El Salvador told of an abstention from promoting women into management and a Colombian woman mentioned bias in the way job opportunities are assigned. The issue of skewed opportunities is an important theme in research and consulting

“Latin American corporate women spoke frequently of work-family tensions inhibiting their careers.”

on obstacles to women’s advancement in major U.S. corporations.⁹

Latin American corporate women spoke frequently of work-family tensions inhibiting their careers. They often conveyed ambivalence about their careers because they perceive a trade-off between family well being and work life. Several Colombian businesswomen said they were not interested in continuing to climb the corporate ladder because it would jeopardize their family life. Chilean women said the same thing. A Venezuelan woman mentioned she would not be unhappy to step back from her executive role because it would give her more family time. Mexican women at a variety of levels in the corporate hierarchy below the president’s office who were interviewed about obstacles to career success cited combining work and family as the biggest hindrance, while men and women enterprise presidents cited discrimination and stereotypes as the largest obstacle. Among the Argentine women interviewed, 60 percent had children and considered their family as or more important than their work. A majority of women interviewed did not feel they had achieved work-family balance. Women executives in Mexico

⁹ Rosabeth Moss Kanter and Judith Roessner, “Deloitte and Touche: A Hole in the Pipeline,” HBS Case No. 9-300-012, Boston: Harvard Business School, March 2003.

“The pool of women well trained for business careers is growing across Latin America, but corporations may be underutilizing women and missing occasions to capitalize on diversity.”

are significantly less likely to have children than is typical among Mexican females as a whole. Younger women interviewed saw the decision to get married and have children as a dilemma because they felt it would hurt their potential to climb the corporate ladder. Single and separated Colombian women spoke explicitly of conflict over allocation of their time between work and their partner. Mexican women leave their jobs for alternative pursuits, often related to family life, while men leave to seek better positions with other business enterprises.

Given the intensity women feel about work-family balance further research is needed to determine the extent of and benefit from family-friendly policies in Latin American corporations. Our interview data suggests that diversity initiatives, individual perceptions and corporate cultures interact in a complex manner. For example, even where companies do have a range of policies to support women’s advancement, women report they hesitate to use these programs. They fear that using flextime, for example, might derail their promotion prospects. Women do not use the term “discrimination” but when they say they work twice as

hard as men to achieve the same career progression they are pointing to a real difference between women and men’s corporate experiences.

Policy Implications

Corporations worldwide are increasingly concerned with retaining and promoting women employees because women form an important part of the talent pool, because women can be a large part of the customer base, and because businesses can create competitive advantage by learning from diversity. Corporations use organizational strategies that fall into four categories: programs to count women employees and increase their number; professional development programs that especially help women (formal mentoring for example); programs that change work practices to accommodate special needs (such as flex-time); and efforts to uncover and change gendered perceptions of work practice and organizational culture.¹⁰ Globally, organizational motivations for, and design of programs to facilitate women’s employment, and diversity more generally, are multifaceted. The Dialogue/Simmons survey suggests a more one-dimensional picture in Latin America.

One-quarter of the firms surveyed reported having programs designed to facilitate women’s employment. Unfortunately, most of these are not serious efforts, as the most common program mentioned was valuing women’s role in the workplace by celebrating Mother’s Day and International Women’s Day. Companies also listed flex-time and a few noted mentoring programs. A very

small number of respondents indicated on-site childcare, family counseling for women, or women's health assistance. Women are most likely to find flex time, mentoring or other attractive programs at larger, privately held firms compared to small or medium-sized firms.

The pool of women well trained for business careers is growing across Latin America, but corporations may be underutilizing women and missing occasions to capitalize on diversity.

While there are more women at all levels of the corporate hierarchy

and in all business job functions, the research presented in this report suggests that Latin American businesswomen still face challenges. Yet the challenges reported here offer opportunities for Latin American corporations. Businesses can erode barriers and create competitive advantage by continuing to monitor women's numerical presence, by employing and monitoring the impact of diversity programs, and by exploring women's work experience in order to improve organizational effectiveness.

¹⁰ Robin J. Ely, "Integrating Gender into a Broader Diversity Lens in Organizational Diagnosis and Intervention," *CGO Insights*, No. 4, Boston: Center for Gender in Organization, March 1999; Deborah Kolb, "Building Constituencies for Culture Change in Organizations by Linking Education and Intervention," *CGO Insights*, No. 16, Boston: Center for Gender in Organization, April 2003.

A NOTE ON DATA AND SOURCES

Countries classify and categorize jobs differently, yielding different cross-national rankings depending on the data source. The UN's definition of women in management is so broad as to be useless, counting all administrative and managerial workers. UN statistics include a larger number of reporting countries than any other source. The International Labor Organization (ILO) simply compiles data contributed by national labor statistics bureaus, each of which uses different job classifications. Few countries contribute regularly to the data base and the researcher desiring to compare women's corporate participation and advancement rates across countries is left to search for comparable national categories of management work. The risk is that cross-national statistical differences may partly reflect different definitions of management work, which might bias reported gender differentials. Detailed national studies of women in business generally corroborate cross-national studies but suffer from the same statistical shortcoming as the ILO data—they rely on national data sources and definitions of management work.

The surveys conducted for this report under the auspices of the Inter-American Dialogue and Simmons School of Management are based on data contributed anonymously by human resource professionals in individual companies using very specific and roughly comparable job definitions. These surveys were collected from 75 firms in Argentina, Brazil, Colombia, Ecuador, Mexico, Peru, and Venezuela. The statements and conclusions by Latin American women executives cited in this study are drawn from over 120 personal interviews contained in the following country case studies. These are available on the Inter-American Dialogue website and will appear in a forthcoming book by the University of the Andes Press (Spring 2005).

"Mujeres Líderes en Argentina. Estudio comparativo en diferentes empresas," Lidia Heller, Red de Mujeres Latinoamericanas en Gestión de Organizaciones, Buenos Aires, Argentina.

"Gender and Women Executives in Brazil," Cristina Bruschini, Fundacao Carlos Chagas, Sao Paulo and Andrea Puppini, Universidad Fluminense, Rio de Janeiro, Brazil.

"Mujeres Líderes De Negocios En Chile." Molly Pollack, Centro Nacional de la Productividad y la Calidad, Santiago, Chile.

"En Colombia las mujeres hacen la tarea," Maria Consuelo Cardenas de Santamaria, Universidad de los Andes, Bogota, Colombia.

"Características de liderazgo de las mujeres en altos puestos ejecutivos en El Salvador," Claudia Samayoa and Carmen Lazo, Escuela Superior de Economía y Negocios, San Salvador, El Salvador.

"Las mujeres en cargos de dirección en México," Gina Zabłudovsky, Universidad Nacional Autónoma de México, México, D.F., México.

"A pesar de los pesares: mujeres líderes en el mundo empresarial venezolano," Nelly Letjer and Patricia Marquez, Instituto de Estudios Superiores de Administración, Caracas, Venezuela.

Legislation Protecting Women in the Workforce in Latin America

By Gillian Morejon and Sylvia Maxfield

Women entered the Latin American workforce in great numbers over the past fifty years. Governments eliminated most legal barriers to female labor and now women are entering the workforce at similar rates to their male counterparts. This chapter surveys the legal statutes of Argentina, Chile, Colombia, El Salvador, Mexico and Venezuela. As the accompanying table reveals, laws governing women's role in the workplace cover four basic arenas. Most countries have achieved some advances in all four areas—at least on paper. This short study demonstrates that women have formally secured many important rights regarding work and the ability to be both worker and mother. Although the legal framework of women's rights in Latin America and the Caribbean is quite advanced, there is a considerable gap between law and practice. The key challenge facing most countries in the region is not to adopt new laws but to implement those that already exist.

Although the UN Convention on the Elimination of Discrimination against Women (CEDAW) continues to spark debate in the United States, every country included in this study signed and ratified the document created in 1979. According to the UN Division for the Advancement of Women, CEDAW defines what constitutes discrimination against women and sets up an agenda for national action to end such discrimination. CEDAW also sanctions International Court of Justice (ICJ) adjudication of discrimination cases.¹

Although each country ratified the UN's CEDAW, countries circumscribed their commitment to the Convention through amendments. El Salvador, Venezuela, and Argentina note that since they are not bound by the rulings of the ICJ, they are not party to any decision made by the ICJ regarding CEDAW. Mexico and Chile signed with the caveat that national laws take precedence over CEDAW—a positive or negative sign, depending on how restrictive one considers the national laws. Colombia, in 1982, was the only country to sign on to CEDAW without restrictions.

Since 1919, the International Labor Organization (ILO), part of the UN system, has developed conventions regarding the rights of women laborers. The ILO encourages national adoption of three different conventions regarding discrimination, equal opportunity, and maternal rights. In 1971, Chile passed ILO Convention 111 of 1958, regarding discrimination. El Salvador did not pass this 1958 ILO convention until

¹ See the website for the UN Division for the Advancement of Women <http://www.un.org/womenwatch/daw/cedaw/>.

1995. Mexico and Colombia have yet to ratify the ILO's 1981 Convention 156 concerning equal opportunity and treatment. El Salvador signed on to the equal opportunity treaty in 2000. The most recent effort of the ILO in this area was Convention 183 concerning maternal rights and protections in the workplace. Argentina passed this convention in 2000, the same year the ILO created the guidelines. None of the other Latin American countries considered in this study has yet ratified the ILO convention on maternal rights.

Conventions passed through the UN system often represent the ideals that member countries seek to attain, or perhaps have already included in their national legislation. Lacking enforcement mechanisms, however, or participation in international judicial bodies, ratification often offers little practical protection for women in the workplace. While the hesitancy to offer national ratification for UN system conventions might reflect legislators' serious commitment to honor and enforce these conventions, it might also point to the divergence between international standards and local realities. Among the countries in our study, El Salvador has delayed the longest before ratifying UN system conventions, while Argentina demonstrates its willingness to promote gender equality in the work place by being one of the first to pass each convention.

Although equality in labor rights can be measured against any number of norms, the cross-national comparison offered here is based on the simplest of principles, namely national legislation governing equal opportunities, equal pay for equal work, maternity rights, and union rights. The analysis does not consider local conditions, estimates of violations, cases brought, or the extent of enforcement. This chapter merely documents existing legislation.

Equal Opportunity Laws

Venezuela is the only country studied where the title of the law specifically mentions women. This 1993 law was later incorporated into the text of Venezuela's 1999 constitution. Argentine and Colombian legislation also mentions the right to equal opportunity for women in the workplace. Both countries have implemented plans to enforce the law. Interestingly, Chilean, Mexican and El Salvadoran laws hold men and women equal, but have no specific text referring to equal opportunity for both genders. Discrimination based on sex is illegal in Venezuela, Argentina, Chile, and El Salvador. The combination of the former and the latter offers a degree of protection to both Chilean and Salvadoran women, but does not match the power of a specific equal opportunity law. Sexual harassment is illegal in both Venezuela and Argentina. In Argentina it is also illegal to discriminate based upon an individual's family responsibilities. El Salvador is currently the only country of those studied that has a law restricting women from working in unsafe jobs or unhealthy workplaces. Such laws are considered by critics to be an unfair barrier preventing women's access to certain occupations.

Argentina, Chile, Colombia, and Mexico have formulated national plans for implementing equal opportunity legislation in an effort to make the laws reality. The incorporation of gender-based equal opportunity in Venezuela's constitution also stands out by comparison to other countries in Latin America. Of course it is difficult to evaluate the extent to which this demonstrates society's attitude toward opportunity for women or the ability to legislate on this issue.

Equal Pay For Equal Work

The concept of equal pay for equal work goes even farther than equal opportunity to define the rights of laborers. Argentina, Mexico, and Venezuela all have laws that clearly state the right of equal pay for equal work. Argentina was the first country in Latin America to ratify a law guaranteeing this right. Mexico and Venezuela include the principle of equal pay for equal work in their most recent national constitutions. El Salvadoran law states the principle, but allows for limited implementation by restricting how "equal work" is defined. Neither Chile nor Colombia have specific laws guaranteeing equal pay for equal work, although the combination of other rights offers some recourse in cases where remuneration seems gender-biased.

Maternity Rights

Maternity laws can cover a wide range of rights, including paid rest pre and postpartum, job security, non-discrimination based on family responsibilities, breast-feedings and work breaks. Interestingly, all of the countries studied have legislation on maternity leave that offers some form of paid rest (either through social security or a combination of social security and employer benefits). This right has been extended to adoptive parents in Chile; Argentine parents of a Down's Syndrome child are given extra maternity leave. These countries are on the forefront of recognizing the needs of non-traditional family growth and the needs of the handicapped.

Parental leave is guaranteed in Venezuela independent of the marital status of the child's parents—acknowledging the reality of out-of-wedlock births (and perhaps as a challenge to the Catholic Church). Mexican law allows for longer and more regular break periods for breastfeeding mothers. Mexico and Venezuela have taken these recent steps in light of the changing realities of working mothers. Women not only are returning to work after childbirth, but are frequently raising children on their own. Discrimination against working mothers is illegal in Mexico and Venezuela today.

Union Participation

The right to form unions is one of the pillars of the international labor community, and vital to the workers in innumerable industries. Only two countries (El Salvador and Argentina) of those studied specifically delineate women's rights to participate in unions. Argentina, reflecting 1991 legislation establishing gender quotas for political parties,

goes a step farther by saying that the number of women in leadership and negotiating positions must reflect the percentage of women union members.

Conclusions

Overall, Argentina has pushed the farthest to make equal opportunity for women a reality; Mexico's path has been similar. Chile and Colombia lack legislation on equal pay for equal work; such legislation would be a significant step toward facilitating use of non-discrimination law to change social reality. Although El Salvador has had the toughest time passing ILO conventions through its legislature, some of its recent laws show positive momentum for improving women's legal position in the workplace. Venezuela has made the most progress of the countries surveyed toward inculcating its legal system with gender equality—reflected also in its 1999 constitution.

Latin American politicians promulgated many of the laws regarding women in the workplace in the 1990s, perhaps spurred by the 1995 UN World Conference on Women in Beijing. Previous to 1990, few countries had legislation on the subject beyond the ratification of ILO conventions. In the first years of the new millennium, Colombia, Chile, and Argentina have taken the biggest steps to turn the previous decade's laws into reality by pushing national plans of action to protect working women's rights. Pressing issues remain in every country, including, but not limited to the right to return to the same position after maternity leave; the availability of affordable childcare; and the definition of and enforcement against sexual harassment. Each country in this study has made legislative gains in certain areas, but the laws are by no means exhaustive and the political will and economic capacity to enforce them remains constrained.

Country	Equal Pay, Equal Work	Maternity Laws	Equal Opportunity	Unions
Argentina	1973, 1994 Constitution: equal pay for equal work	Protect status of pregnant working women. 1994: add new protections including added leave. 1996: six months extra if child has Down's Syndrome.	1993: sexual harassment illegal. 1994, 1997, 1998: develop plan for equal opportunities and treatment, illegal to fire based on sex. 1997: illegal to discriminate based on family responsibilities.	1991: 30% of political party electable positions must be women. 2002: women must have equal representation in unions and negotiations.
Chile		1993: to improve the working conditions of women. 1985, 1988, 1990, 1994: national maternity subsidies (12 weeks). 2000: equal leave rights for adoptive parents.	1980 Constitution (rev. 2000): all have right to work, all discrimination prohibited. 1999: men and women equal before the law. 2002: regulates employer provision of daycare.	
Colombia		1970, 1991 Constitution (rev. 2001): protection during pregnancy and maternity leave.	2002: pro-rural working women opportunities law. 2003: equal opportunity included gender in human resources training, government active in erasing gender stereotypes.	
El Salvador	1983 Constitution, (rev. 2000): equal pay for equal work within the same company and identical circumstances	Right to paid rest before and after giving birth; maintain job. Obligates workplace to maintain childcare centers (Constitution).	Equal before the law; can't take away civil rights based on sex. Women cannot work unsafe or unhealthy jobs (Constitution).	Right to organize, form unions and associations (Constitution).
Mexico	1998: equal pay for equal work, independent of sex.	Six weeks paid rest pre and postpartum (also notes one month pre and two months post); two extra rest periods of 30 mins. each to breastfeed; no strenuous work for pregnant employees; social security must cover maternity (1917 Constitution).	All discrimination prohibited; sexes equal before the law; women can legally do any job (Constitution). 1998: pro-rural working women opportunities law.	
Venezuela	1999 Constitution: equal salary for equal work.	1993: can't fire based on pregnancy. Maternity and paternity protected (no matter what marriage status); social security protects maternity and paternity (Constitution).	1993: equal opportunity law for women. 1999: no discrimination based on gender; equality and equity in right to work. Sexual harassment illegal (Constitution).	

	<i>Convention on the Elimination of Discrimination against Women (UN – 1979)*</i>
Argentina	1985 , (The Government of Argentina declares that it does not consider itself bound by article 29**, paragraph 1, of the Convention on the Elimination of All Forms of Discrimination against Women.)
Chile	1989 , (Declaration: The Government is obliged to state, however, that some of the provisions of the Convention are not entirely compatible with current Chilean legislation. At the same time, it reports the establishment of a Commission for the Study and Reform of the Civil Code, which now has before it various proposals to amend, <i>inter alia</i> , those provisions which are not fully consistent with the terms of the Convention.)
Colombia	1982
El Salvador	1981 , (Upon signature: Upon ratification of the Convention, the Government of El Salvador will make the reservation provided for in article 29. Upon ratification: Reservation: With reservation as to the application of the provision of article 29, paragraph 1.)
Mexico	1981 , (Upon signature: Declaration: In signing <i>ad referendum</i> the Convention on the Elimination of All Forms of Discrimination Against Women, which the General Assembly opened for signature by States on 18 December 1979, the Government of the United Mexican States wishes to place on record that it is doing so on the understanding that the provisions of the said Convention, which agree in all essentials with the provisions of Mexican legislation, will be applied in Mexico in accordance with the modalities and procedures prescribed by Mexican legislation and that the granting of material benefits in pursuance of the Convention will be as generous as the resources available to the Mexican State permit.)
Venezuela	1983 , (Reservation made upon ratification confirming in substance the reservation made upon signature: Venezuela makes a formal reservation with regard to article 29, paragraph 1, of the Convention, since it does not accept arbitration or the jurisdiction of the International Court of Justice for the settlement of disputes concerning the interpretation or application of this Convention.)
<p>* Date of receipt of the instrument of ratification, accession or succession. The United States signed in 1980 but has not ratified CEDAW.</p> <p>** Article 29. See website for the UN Division for the Advancement of Women http://www.un.org/womenwatch/daw/cedaw/ (Accessed March 25, 2004).</p> <ol style="list-style-type: none"> 1. Any dispute between two or more States Parties concerning the interpretation or application of the present Convention which is not settled by negotiation shall, at the request of one of them, be submitted to arbitration. If within six months from the date of the request for arbitration the parties are unable to agree on the organization of the arbitration, any one of those parties may refer the dispute to the International Court of Justice by request in conformity with the Statute of the Court. 2. Each State Party may at the time of signature or ratification of the present Convention or accession thereto declare that it does not consider itself bound by paragraph 1 of this article. The other States Parties shall not be bound by that paragraph with respect to any State Party which has made such a reservation. 3. Any State Party which has made a reservation in accordance with paragraph 2 of this article may at any time withdraw that reservation by notification to the Secretary-General of the United Nations. 	



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