

Report:

**WOMEN IN MANAGEMENT IN MONTENEGRO**

Podgorica, December 2017

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Report: Women in Management in Montenegro

**Authors:**

Montenegrin Employers Federation (MEF) and E3 Consulting LLC

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Montenegrin Employers Federation (MEF)

Cetinjski put 36

81 000 Podgorica, Montenegro

T: +382 20 209 250

F: +382 20 209 251

E: [office@poslodavci.org](mailto:office@poslodavci.org)

W: [www.poslodavci.org](http://www.poslodavci.org)

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Suzana Radulovic

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Zvezdana Oluic

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*Expressions used in this publication make no distinction between female and male gender but imply both genders.*

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*The responsibility for the opinions expressed in this report rests solely with the author. ILO and ADA take no responsibility for the correctness, accuracy and reliability of information and opinions expressed in this report.*

## **Note**

*This document is a summary, i.e. a brief overview of a part of the content of the original publication published by Montenegrin Employers Federation (MEF) in Montenegrin language as a “Report: Women in Management in Montenegro”.*

*Original version of the publication “Report: Women in Management in Montenegro” is available at MEF website [www.poslodavci.org](http://www.poslodavci.org)*

## **Preface**

*Although a positive role of women in company management in Montenegro has not yet been sufficiently affirmed, the situation in this area has improved substantially over the last ten years. Leadership potential and the importance of active participation of women in management structures and bodies have been recognized by an increasing number of Montenegrin companies which, in that way, encourage and promote good business practice, help breaking the existing stereotypes and by the results they achieve additionally prove that investment in gender diversity is profitable for business.*

*Employers who perceive intellectual capital as knowledge that can be turned into profit also understand a clear link between investments in highly-educated women, on one side, and competitive advantages for companies in modern business environment, on the other. In our country, statistical data reveal that women contribute to an increase in number of population with higher education degree which tells about their ambitions and obvious potential that (if properly utilized) can be a strong support to an entire socio-economic development of a country as well.*

*In MEF we believe that the above listed indicators can additionally encourage employers (in private, but also in both public and civil sector, as well as in media) to finally realize that business growth, competitiveness and a good image of organization substantially depend on closing the gender gap in the labor market. It is indicated by the fact that only the organization that builds healthy, stimulating and productive working environment and regularly applies principles of equal opportunities and equal treatment, can expect to attract and retain the most qualified and the most talented workers - both women and men. It is why MEF for years has been advocating and continuously promoting and encouraging gender equality, corporate social responsibility and inclusive corporate culture among employers.*

*An example of such actions is a content of a document "Report: Women in Management in Montenegro", that has been created in the scope of MEF project "Women in Management in Montenegro: Support to Leadership and Professional Development of Women in Montenegro, with the support of the International labor Organization (ILO) and the Austrian Development Agency (ADA). We believe that its contents and survey findings and subsequent conclusions and recommendations in particular, will contribute to better comprehension of the current situation, to taking up initiatives and implementation of concrete activities that lead to elimination of the existing barriers and greater representation of women in leading and top management positions in Montenegrin companies.*

*In creation of this report, MEF project team was supported by experts from "E3 Consulting" LLC which conducted the survey, as well as by representatives of 100 companies – MEF members that took part in it, to whom we are thankful.*

*Special thanks go to the ILO Office for Central and Eastern Europe and their experts, as well as the Austrian Development Agency, who provided a significant support to our work and ensured our Report see the light of day.*

Svetlana Vuksanovic  
MEF President



## 1. INTRODUCTION

Global changes that have been happening, and as such reflecting on the labor market, point to the need for additional improvement of corporate knowledge and practice in the area of women rights and gender equality as well as for creation of a partnership alliance between business community, public sector, civil society, academia and media, with the aim of establishing cooperation and undertaking joint actions in the field of promotion and economic empowerment of women. A particular reason for the latter is that issues such as sustainability, diversity and equality require full attention and commitment of both companies and other stakeholders that overpower daily operational matters, and a strong will of managers to accept challenges, make decisions and oppose the traditionally narrow interpretation of diversity, especially from the aspect of role and position of women and men at the workplace.

Statistics are particularly implacable in this part along with experts' opinions and data coming from important and relevant domestic and international addresses which show that the advancement of women is slow and uncertain and very often limited by numerous constraints. Thus, survey findings from 2014<sup>1</sup> show that women in Montenegro have lesser rights in political representation and election to political functions (according to 23 per cent of respondents), as well as during their selection to management positions in companies and institutions, which entails career advancement too (according to 23 per cent of respondents).

Although any deeper analysis of women in management positions requires involvement of different social, economic and political elements, that additionally points to the complexity and multilayered character of this matter, some authors<sup>2</sup> highlight that better position and protection of dignity of employees at companies can be ensured by adoption of corporate rules of behavior that will confirm commitment to care about employees, by creation of well-organized entity for human resources development as well as by creation of humane business codex of behavior – with a clear gender component. Furthermore, some publications created in Montenegro<sup>3</sup> contain the entire list of specific activities to be undertaken at company level in order to ensure the highest leadership support to gender equality. The fact that better utilization of women's potential is an important source of economic

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<sup>1</sup>Second survey on the knowledge of and implementation of the Law on Gender Equality in institutions in Montenegro, Parliament of Montenegro, the Board for Gender Equality, 2014

<sup>2</sup>The Principles of Empowerment of Women, Business Women Association of Montenegro, 2010

<sup>3</sup>A Guide to Corporate Social Responsibility towards working women, women in the labor market and women in community, Centre for Development of Non-Governmental Organizations (CRNVO), 2012

growth is evidenced by numerous analyses and studies documenting examples of successful business and positive results based on greater employment of women as well as women's participation at different levels of companies' management in both private and public sector.

Along with inequality concerning participation in management positions, women-men relation is characterized by inequality in wages, despite Universal Declaration of Human Rights prescribing that *everyone, without any discrimination, has the right to equal pay for equal work.*<sup>4</sup>

Ultimately, instead of making any conclusions, it seems particularly useful to point exactly to the part of European Commission Report on Equality of Women and Men (2009) which specifies: "Equal participation of both women and men in decision making processes is a democratic and economic necessity. Current economic situation requires mobilization of every talent. This is not the time for waste of skills and production potential due to outdated perception of female and male roles and leadership abilities."

## 2. WOMEN IN MONTENEGRO

The Constitution of Montenegro guarantees the equality of women and men, obliges the country to develop the policy of equal opportunities, prohibit any kind of direct or indirect discrimination, determines the possibility of introduction of special measures aimed at creating the conditions for the exercise of national, gender and overall equality and protection of persons who are in an unequal position on any grounds (articles 18 and 8 of the Constitution). In addition, Montenegro has ratified a number of international documents on human rights (CEDAW, Istanbul Convention...), national legislation with a series of systemic laws ensures preconditions for exercise of protection from discrimination and human safety, while the area of gender equality and economic empowerment of women is regulated by a set of key strategies adopted by the Government of Montenegro.

From the perspective of this *Report*, it is worth pointing that the *Strategy for the Development of Women Entrepreneurship in Montenegro 2015-2020* among key results to be achieved specifies the

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<sup>4</sup>Universal Declaration of Human Rights (UDHR), available at: <http://www.ohchr.org/EN/UDHR/Pages/Introduction.aspx>

following two: Encouragement of linkages/networking of women entrepreneurs and managers at local, national and international level; Strengthening of women's role in management structures.

On the other side, *the Plan of Action for Achieving Gender Equality in Montenegro 2017-2021(PAAGE)*, with the *Implementation Program for 2017- 2018*, defines eight areas Montenegro intends to act in with the aim to achieve gender equality. Although PAAGE defines strategic goals for each of these areas and within them a list of individual objectives and effect indicators, we hereby list only two of the indicators PAAGE specifies among others: Pay gap between men and women in Montenegro reduced by minimum 3 per cent by the end of the reporting period (January 2019) with available annual data for private and public sector separately; At least 40 per cent of women MPs in the Parliament of Montenegro by 2020.

## 2.1 WOMEN'S POSITION IN PRIVATE AND PUBLIC SECTOR

Women in Montenegro make half of population (50.61 per cent) but also almost a half of unemployed persons.<sup>5</sup> Activity rates are highest for 25-49 age groups amounting to 86 per cent for men and 73.6 per cent for women (Monstat, 2016).

**Graph 1:** Employed persons by employment status and sex



**Source:** Women and Men in Montenegro 2016, Montenegrin Statistical Office (Monstat)

Montenegro has not yet seen a fully accomplished economic contribution of women, particularly not to the extent corresponding to their real potential. Less than 10 per cent of companies are owned by women, women earn around 14 per cent less than men doing jobs of equal value, management positions in both public and private sector are held by substantially less women. Compared to men, and

<sup>5</sup>Monstat, Women and Men in Montenegro, 2016

despite evident progress and positive shifts that have taken place over the last years, women still represent a minority in social, economic and political life. This is especially striking having in mind the changes that have happened in the educational structure of population –to the benefit of women.

### ***2.1.1. Women in Public Sector<sup>6</sup>***

When it comes to legislative branch of government, the Parliament of Montenegro has 81 members of whom 19 are women (or 23.45 per cent) which represents an increase compared to the previous convocation. A President and two Vice-Presidents of the Parliament are men. On the other hand, of 15 Parliament permanent working bodies, only three are headed by women: a Legislative Board, a Gender Equality Board and an Anti-Corruption Board.

Concerning the executive branch, only 4 women are in the top Government positions: three of them manage ministries of Public Administration, Science and Economy and one is the minister without portfolio. Judicial branch data say that there are 58.04 per cent of women judges in Montenegro and 60 per cent of female prosecutors in the Prosecutor's office.

Of 23 local governments in Montenegro only two are headed by women – Kolasin and Tivat. In cooperation with the Ministry for Human and Minority Rights, councils for gender equality were founded in 11 municipalities, gender equality coordinators (female and male) were nominated in 20 municipalities, 5 municipalities opened gender equality offices, 10 municipalities adopted local action plans for gender equality while gender equality decisions were adopted by 13 municipalities. It is also worth mentioning that 6 local governments have special budgetary sources reserved for activities in the area of gender equality.

Women make a majority of employed in education (75.3 per cent). However, they are the absolute minority in decision making positions in education institutions with the exception of pre-school education (Monstat, 2016).

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<sup>6</sup>Action Plan for the Implementation of the Resolution 1325 of the UN Security Council, Women, Peace and Security in Montenegro (2017-2018), Government of Montenegro, February 2017



### **2.1.2. Women in Business Sector**

Merely 12.4 women were self-employed in 2015, which is more than twice less compared to men. Gender pay gap between men and women in Montenegro is 13.9 per cent which means that women earn 86.1 per cent of the average male wage for the work of equal value.<sup>7</sup>

Women own only 4 per cent of houses, 8 per cent of land and 14 per cent of vacation houses (weekend cottages) in Montenegro which tells about their dependent position and limitations concerning the possibilities to start their own businesses.

Since 2015, the European Institute for Gender Equality (EIGE) has been collecting data for Montenegro too, for both public and private sector, i.e. for 50 top ranked national constituents according to blue-chip index of national stock market of each of the countries. EIGE data reveal that in 2015 head of management board positions in companies in our country were “reserved” exclusively for men (100 per cent) in contrast to 2017 when there happened to be certain changes in the sense that 90 per cent of positions of board chairs in companies were held by men opposed to 10 per cent being held by women, which is 3 per cent more compared to EU28 average. Although still insufficient, positive shifts are evident when we talk about female members of management boards in companies – women participation in these bodies in 2015 was 18.3 per cent while in 2017 women participated with 23.3 percent in regard to a total number of boards’ members.

In Montenegrin companies, women are often represented in management positions in administration, human resources, communications and PR as well as CSR sectors<sup>8</sup>, which is a practice confirmed by MEF survey findings that will be presented below in this Report. However, according to ILO, such grouping of women into certain management sectors creates so called “glass walls” that prevents women to move down the central hierarchy paths usually leading them neither to top management positions nor to the CEO role.

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<sup>7</sup>Second report on the implementation of Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Ministry for Human and Minority Rights, 2015

<sup>8</sup> CSR – Corporate Social Responsibility

*MEF survey on women managers in Montenegro, carried out in 2017 among 100 enterprises, provides insight into data about the position of women at different management levels in small, medium-sized and large enterprises.*

*In 2017, 11 per cent of general/executive manager (CEO) positions in **small enterprises** were held by women in addition to 33.67 per cent of board seats occupied by females. Also, women make 62.7 per cent of top management positions in small enterprises, 73 per cent of women are senior managers, 75.6 belongs to middle management while 81.25 per cent of lower management positions are held by women.*

*In 2017, 11 per cent of CEO positions in **medium-sized enterprises** were held by women while women participation in the board was 24.74 per cent. If observed by management levels, the majority of women in medium-sized companies are top managers (42.27 per cent), followed by female middle managers (46.1 per cent). 39.6 per cent of women are senior managers similarly to 39.2 per cent of women in lower management.*

*In 2017, 4.4 per cent of CEO positions in **large companies** were occupied by women, in addition to 21.71 per cent of board seats held by women. Women's participation in top management amounts to 45.3 per cent. In senior, middle and lower management, women participate with 42.3 per cent, 48.3 per cent and 38.91 per cent respectively.*

### 3. QUANTITATIVE ANALYSIS

According to national Statistical Office of Montenegro (Monstat), a total population of Montenegro in 2016 was 622387, 307752 of whom were males and 314635 females (50.55 per cent).

The last available official statistics on the structure of ownership of business entities by sex<sup>9</sup> provide insight into the situation in 2011 when there were 21127 active business entities in Montenegro, the majority of which were small enterprises – 98.7 per cent (or 20 855) operating in wholesale and retail sector. Of total number of active business entities, there were 90.4 per cent (19 102) male owners in contrast to only 9.6 per cent (2 025) of female business owners. The fact that only one in ten enterprises is owned by a woman tells us that Montenegro substantially lags behind countries from the region and the EU, but also that the economic potential of women is still not utilized to the extent or in a way corresponding to opportunities and entrepreneurial capacities of women.

There are no official statistics in Montenegro about the participation of both women and men in management (at different managerial levels), executive director positions and steering bodies in companies, nor data on management structures by size, sectorial affiliation and companies ownership structure.<sup>10</sup> Therefore, this Report will be containing some of the data from the first MEF survey on women managers in Montenegro, published in 2013. The afore mentioned survey MEF carried out following a standardized ILO questionnaire, among 103 companies operating in Montenegro, for the purpose of a global study on women in business and management that the ILO's Bureau for Employers' Activities (ACT/EMP) published in 2015.<sup>11</sup>

In order to enable comparative data analysis and better review of potential changes that took place in Montenegro from 2013 to 2017 and for the purpose of this new and second in line survey on women managers in Montenegrin companies, MEF used the same ILO questionnaire, slightly adapted to the needs. With such an approach MEF intended to make a sort of an added value to the overall content of the document "Report: Women in Management in Montenegro".

<sup>9</sup> Monstat, Owners of Business Entities by Gender 2012, 2012

<sup>10</sup> The Strategy for Women Entrepreneurship Development in Montenegro 2015-2020

<sup>11</sup> ILO, Women in Business and Management: Gaining momentum, 2015, available at: [http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS\\_316450/lang--en/index.htm](http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_316450/lang--en/index.htm)

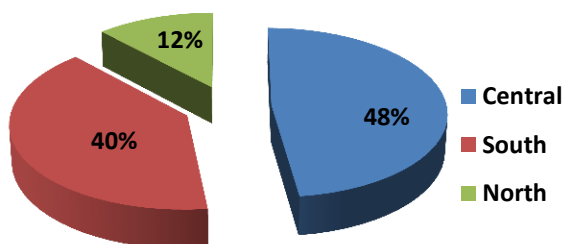
The findings of the survey that for MEF was realized by E3 Consulting LLC from Podgorica follow below.

### 3.1 SURVEY ON WOMEN MANAGERS IN MONTENEGRIN COMPANIES – FINDINGS

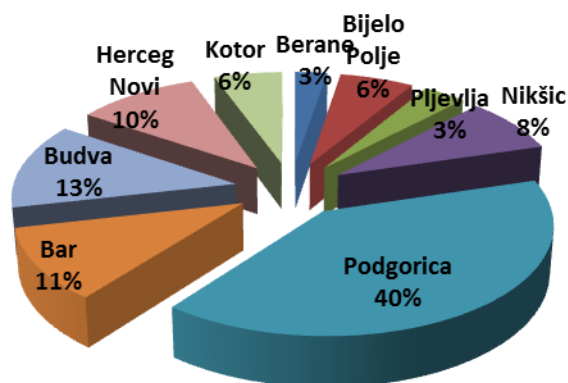
For the purpose of the survey a three-phase stratified sample was prepared based on the data about Montenegrin companies – MEF members. Stratification of the sample included its allocation according to the region and local governments in line with the official Monstat statistics. Stratification of the sample according to companies' size, in line with the project objective, and having in mind a structure of small enterprises in Montenegro, had negligible deviations compared to official Monstat statistics.

The survey was carried out in three regions whereby the sample was made of: 40 per cent of enterprises from the southern region (municipalities of Bar, Budva, Kotor and Herceg Novi), 48 per cent of enterprises from the central region (municipalities of Podgorica and Nikšić) and 12 per cent of enterprises operating in the north of the country (municipalities of Bijelo Polje, Berane and Pljevlja). Enterprises from Podgorica prevailed in the survey (with 40 per cent) which corresponds to official data on the number of enterprises in Montenegro.

**Graph 2:** Sample allocation according to region



**Graph 3:** Sample allocation according to local governments



The survey was realized based on a standardized ILO questionnaire which contained 29 questions divided into 6 sections: A) General information about a company; B) Policies and measures; C) Data and statistics' D) Barriers to women leadership; E) Advancement measures for women in business and

management; F) Support mechanisms for companies – to promote women in business and management.

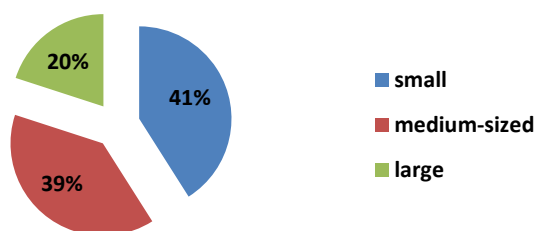
The survey was carried out from June 1<sup>st</sup> 2017 to June 26<sup>th</sup> 2017. Initially, 851 companies were contacted by e-mail, and submitted a questionnaire and basic information about the project and the object of the survey. Enterprises were offered two possibilities: to respond to the questionnaire in direct interview or via e-mail. Of the total number of contacted companies, 100 took part in the survey. 60 per cent of companies were interviewed directly while the remaining 40 per cent sent their answers by e-mail.

In order to realize a field survey, a team of interviewers were engaged to collect the data in the target municipalities, undergoing a prior training about the survey methodology. Once they completed the field work and the collected data were checked, the project team entered the collected data whilst the data processing was done using an SPSS statistical platform. SPSS data processing results in outputs such as frequencies, descriptive statistics, cross tables and charts.

## A – GENERAL INFORMATION

The survey was carried out among 100 enterprises, of which 41 per cent were small, 39 per cent medium-sized and 20 per cent large companies.<sup>12</sup>

**Graph 4:** Companies by size

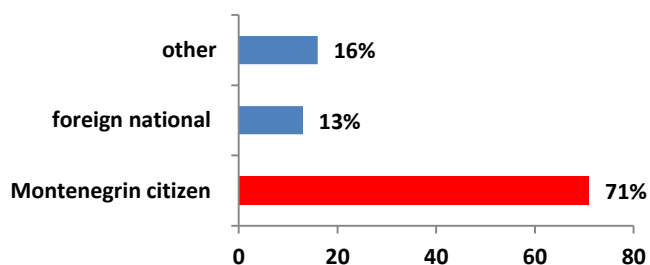


The majority of companies that took part in the survey (71 per cent) were founded by persons from Montenegro whilst 13 per cent of companies were founded by foreign nationals. The remaining 16 per

<sup>12</sup>Monstata uses Eurostat's classification of business entities according to size - number of employees: small (0 to 49 employees), medium-sized (50 to 249 employees) and large (over 250 employees).

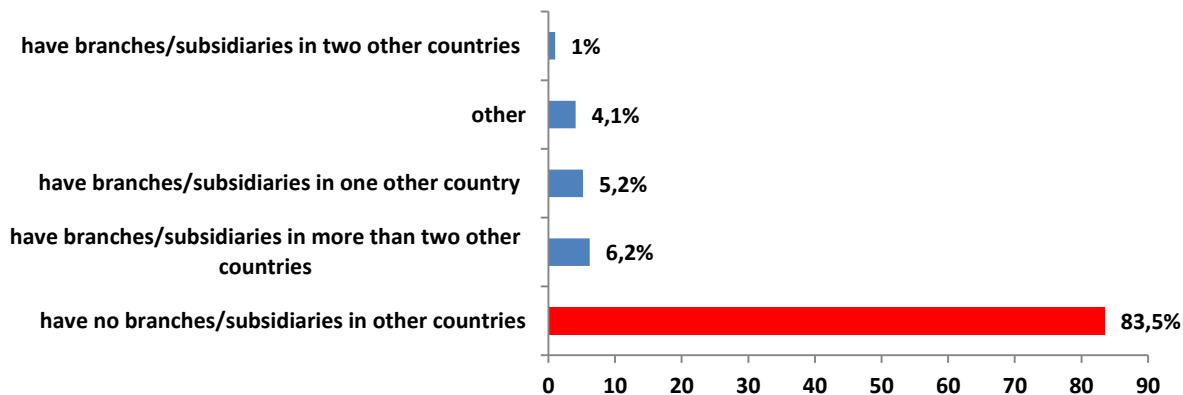
cent of respondents chose *other* as the answer which in the majority of cases is said to be a combination of a foreign national and a Montenegrin citizen.

**Graph 5:** Who is a founder of the company?

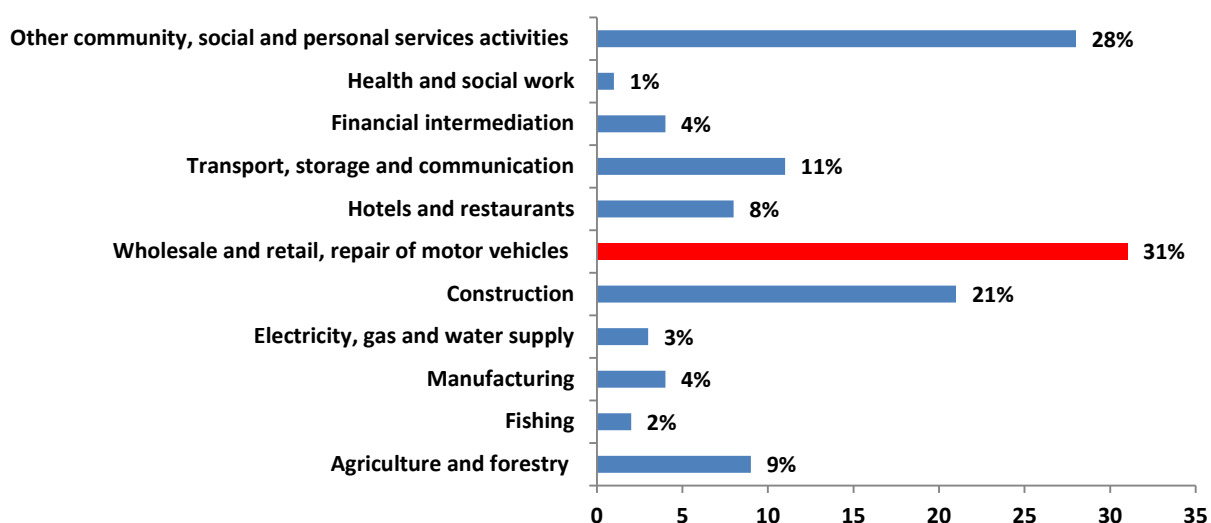


It is worth mentioning that 83.5 per cent of the interviewed companies have no branch offices in some other country, 1 per cent has branch offices in other countries, and 6.2 per cent have branch offices in more than two countries whilst 5.2 per cent said they had branch offices in one other country.

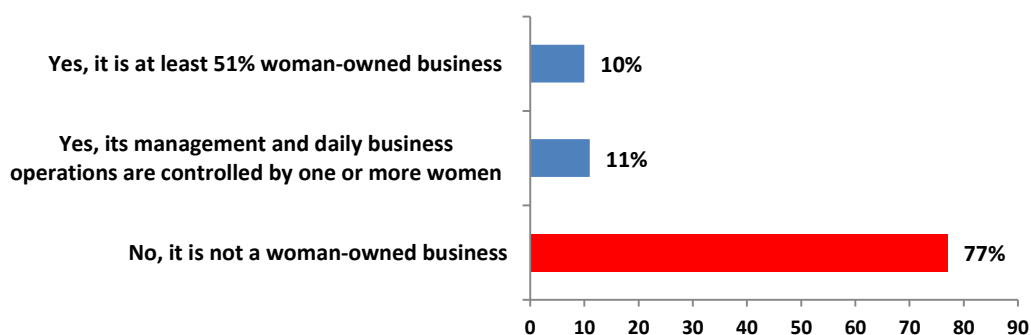
**Graph 6:** Company's branch offices



The largest number of companies that participated in the survey operates in Wholesale and retail sector (31 per cent), followed by companies operating in the sector of Other community, social and personal services activities (28 per cent) than by companies in the Construction sector (21 per cent) as well as in Transport, storage and communications (11 per cent). In contrast, the fewest number of companies (1 per cent) does business in the sector Health and social work and Fishing (2 per cent).

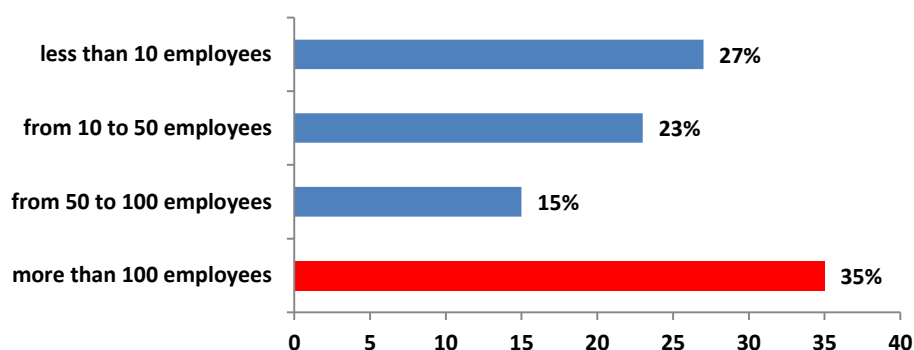
**Graph 7: Companies by sector**

Further analysis targeted the role of women in companies, especially from the perspective of women participation in companies' ownership structure. Obtained data reveal that women own 10 per cent of interviewed companies, in 11 per cent of companies women manage and control the operations whilst in 77 per cent of companies women do not participate in the ownership structure. If these data are compared to the previous MEF survey findings, it can even be noticed a certain deterioration in the sense that in 2013 women owned at least 51 per cent of shares in 17.4 per cent of interviewed companies. Nevertheless, before making any concrete conclusions, one should have in mind a difference in structure and number of employed in the interviewed companies. Namely, the companies that participated in 2013 survey were employing 120 workers on average and the largest number of employees in one company back then was 848. On the other hand, in 2017 survey, the average number of employees in the interviewed companies was 172 whereby one of the companies employed as many as 2500 workers.

**Graph 8: Please indicate if your company is a women-owned business**

In order to additionally explain the characteristics of the sample, we hereby point out that the majority of interviewed companies (35 per cent) employ more than 100 workers, 27 per cent of companies have less than 10 employed while the least in the sample is the share of those companies employing from 50 to 100 workers (15 per cent). The remaining 23 per cent of companies employ more than 10 and less than 50 workers. The average number of employees in the interviewed companies is 172, 40.96 per cent of whom are women. It is worth mentioning that the survey has shown that women are mostly employed in small companies (46.54 per cent) which primarily operate in the following sectors: health and social work, financial intermediation, wholesale and retail.

**Graph 9:** Number of employees in companies

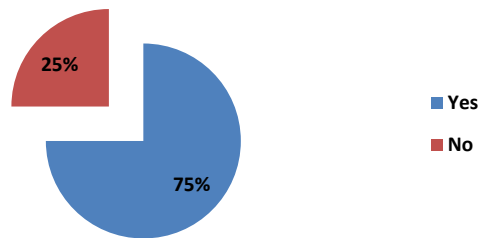


Most interviewed companies employ women full-time (97.96 per cent) which makes it substantially less companies employing women part-time. Interestingly, the share of employed women in 2013 was 54.13 per cent, which is more than the share of women employed in 2017 (40.96). Furthermore, comparative data indicate the changes concerning the number of women employed full-time (2013: 88.15 per cent, 2017: 97.96 per cent).

## B – POLICIES AND MEASURES

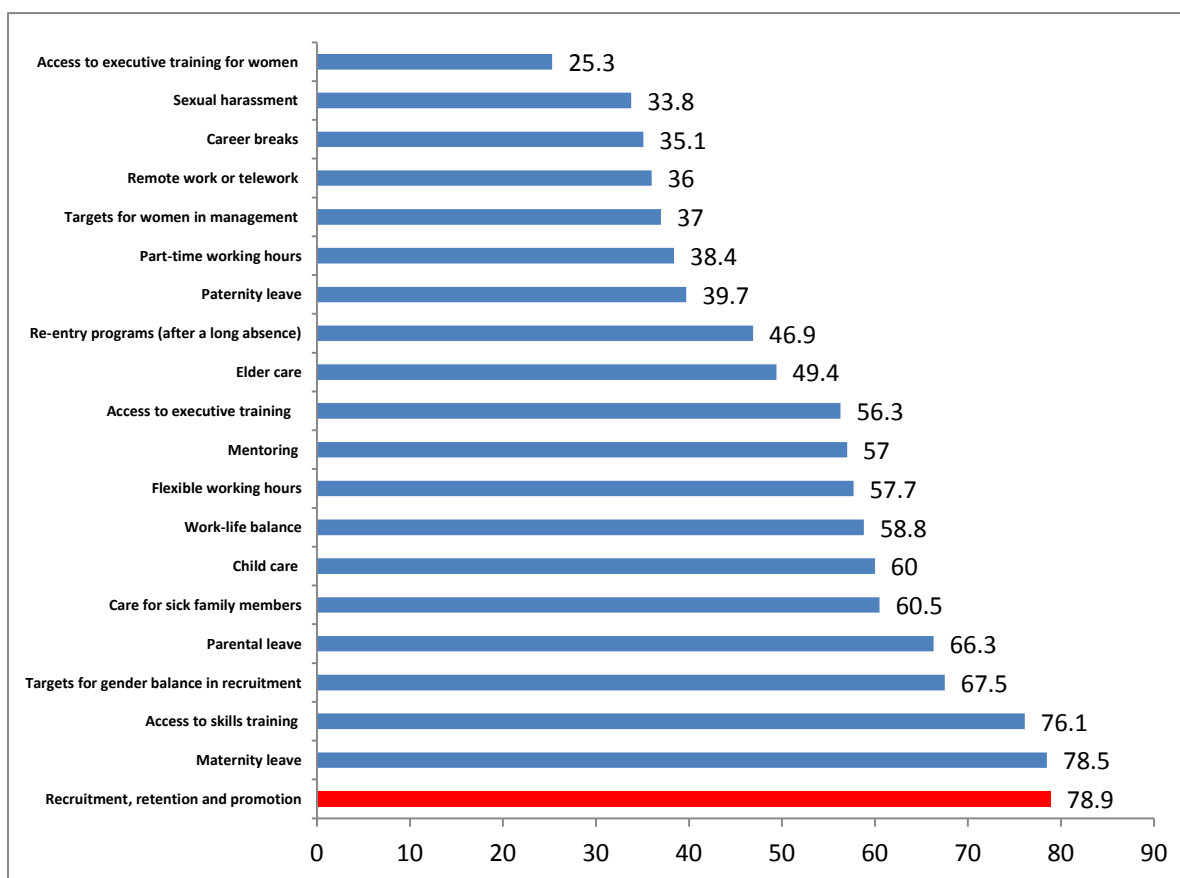
The second part of the questionnaire contained questions related to implementation of policies and measures aimed at achieving gender equality in companies. The data received reveal that 75 per cent of interviewed companies have *Equal opportunities policy*. However, at the time of interviewing none of the companies submitted their policies in written form.



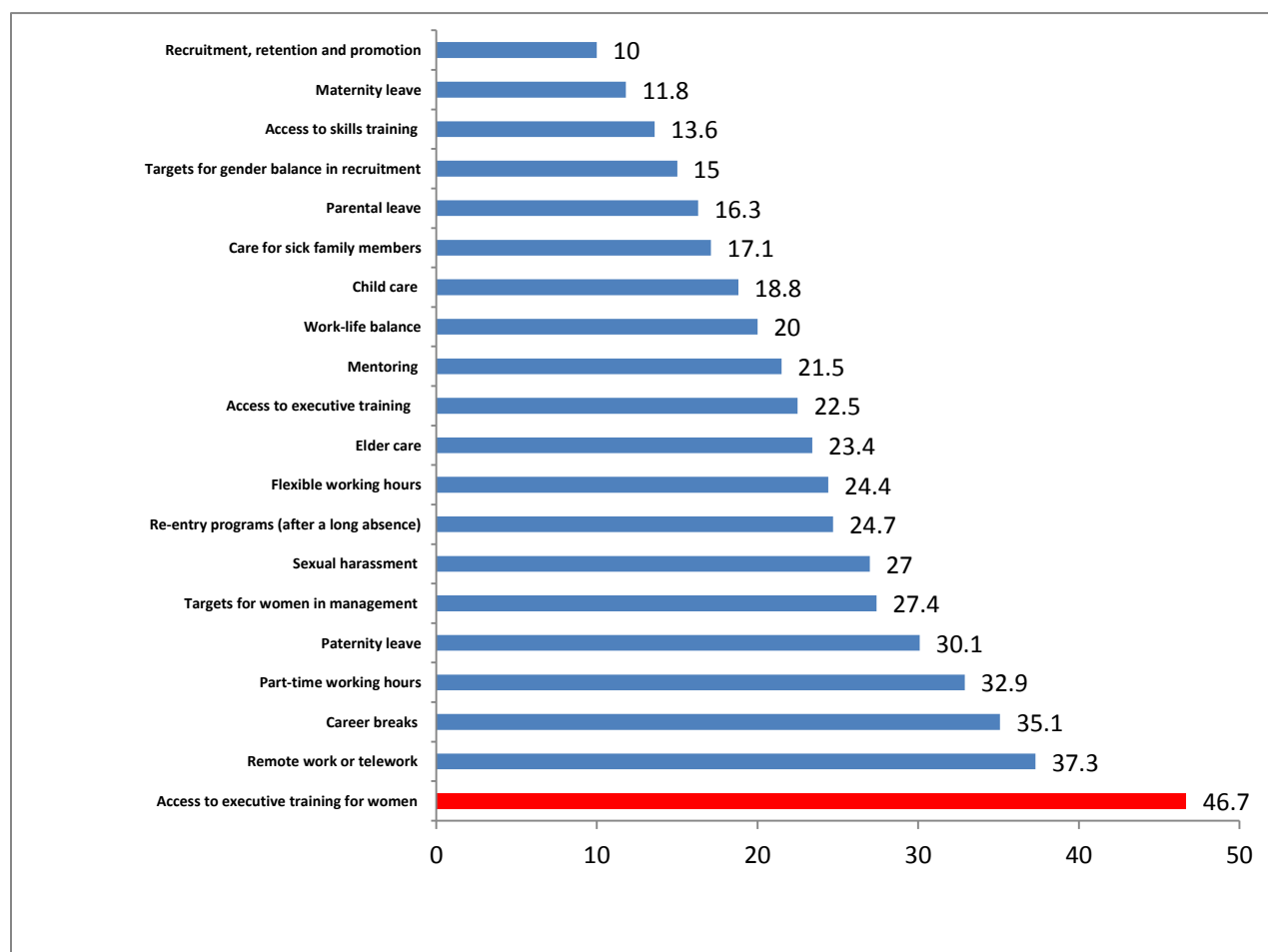
**Graph 10:** Does your company have an Equal Opportunities Policy?

During the survey, interviewees were offered a list of 20 possible company initiatives which implementation aimed to promote gender equality. These initiatives are the following: recruitment, retention and promotion, mentoring, access to skills training, access to executive training, access to executive training for women, work-life balance, flexible working hours, part time working hours, remote work or telework, maternity leave, paternity leave, parental leave, career breaks, re-entry programs (after a long absence), child care, elder care, care for sick family members, sexual harassment, targets for gender balance in recruitment and targets for women in management.

Respondents were asked to record the initiatives undertaken/not undertaken by their companies. Below is the graph providing an overview of given answers, both positive and negative.

**Graph 11:** Initiatives taken up by companies aimed at promoting gender equality

Initiatives aimed at gender equality most frequently taken up by companies are: recruitment, retention and promotion (78.9 per cent), maternity leave (78.5 per cent), access to skills training (76.1 per cent), targets for gender balance in recruitment (67.5 per cent) and parental leave (66.3 per cent). For the purpose of quality interpretation, one should have in mind that maternity and parental leave in our country are regulated by law.

**Graph 12:** Initiatives aimed at promoting gender equality not taken up by companies

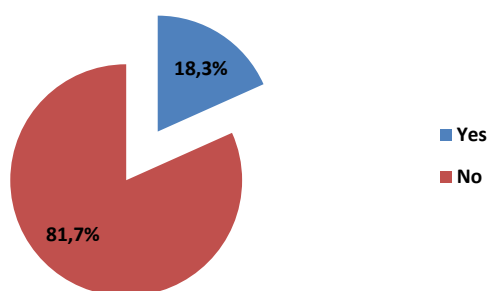
Compared to survey findings from 2013, one can conclude that the least undertaken initiative by the companies in Montenegro has still been the *access to executive training for women*, which is certainly a very significant information that can help better understanding of women position in management structures of Montenegrin companies, planning and implementation of specific future activities that will aim to improve such a state of affairs. Also, there is a very small share of those that implement remote work or telework and provide opportunities for career breaks.

## C – DATA AND STATISTICS

Survey findings reveal that the most of interviewed companies (81.7 per cent) gave negative answers to the question about a business practice involving monitoring and reporting on the ratio of women to men at different levels in the hierarchy, whilst only 18.3 per cent of companies responded positively to

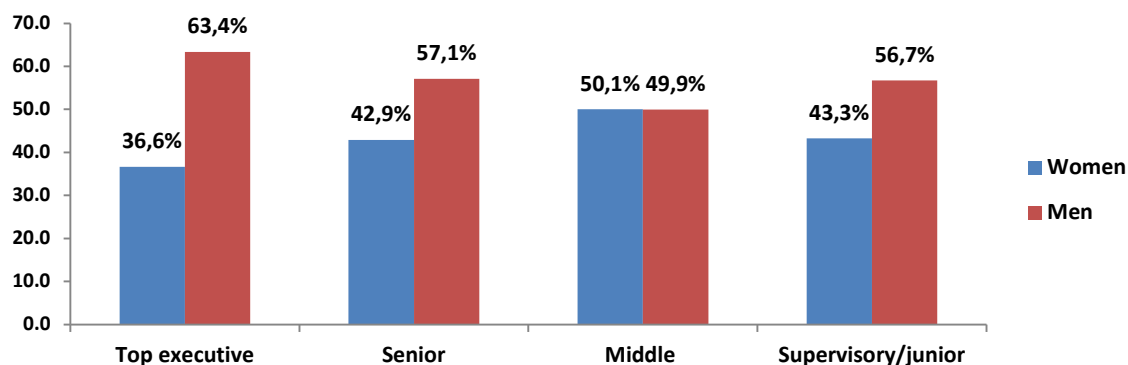
the question. The most up-to-date were companies operating in the sector of electricity, gas and water supply with 66.7 per cent of positive answers. In contrast, merely 10.8 per cent of small companies monitor and report on the ratio of women to men at different levels in the hierarchy whilst the share of large companies in this regard is 44.4 per cent.

**Graph 13:** Does your company monitor and report on the ratio of women to men at different levels in the hierarchy?



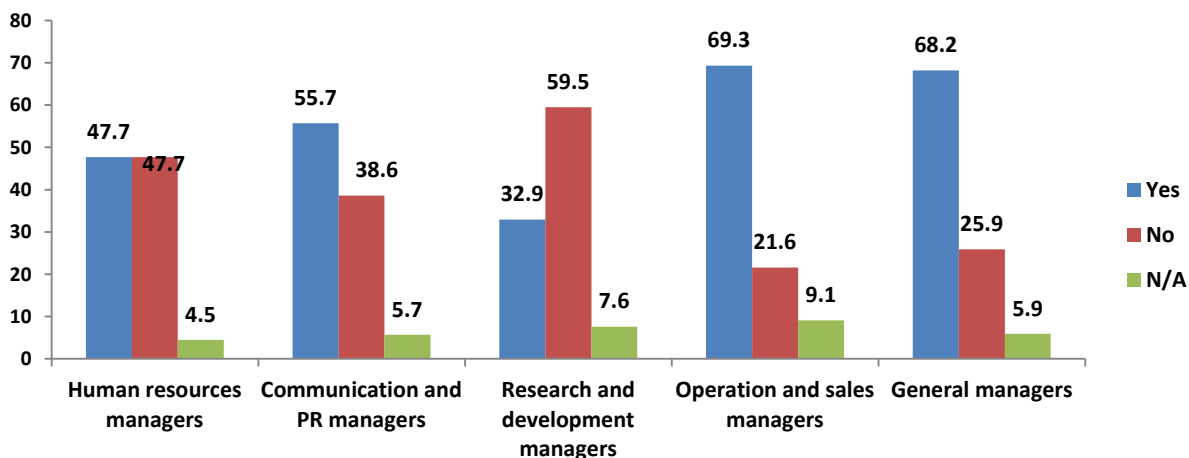
The ratio of women to men at different levels of management in companies reveals that women are the most present in middle management (50.1 per cent) whilst their share in junior and senior management is 43.3 and 42.9 per cent respectively. Women are the least present in top executive positions (36.6 per cent) which according to survey findings are still simply “reserved” for men – the share of men in top executive positions in companies is 63.4 per cent. Similarly, the share of men in senior and junior management is 57.1 and 56.7 per cent respectively which makes them more represented than women. Comparative analysis of the two MEF surveys show negative shifts – women participation in top executive management in companies in 2017 was lower than in 2013 when it was 42.4 per cent. Men, on the other side, participate in middle management with 50.1 per cent which tells us there has been an increase compared to 4 years ago (46.7 per cent). Finally, findings of this survey reveal the evident domination of men at all management levels except for the middle one.

**Graph 14:** What is the ratio of women to men at different management levels (management positions)?



According to survey findings, the largest shares of women and men in the interviewed companies are employed in the positions of business and sales managers (69.3 per cent), general managers (68.2 per cent) and communication and PR managers (55.7 per cent). Women prevail in positions of communication and PR managers (82.1 per cent) and human resources managers (75.6 per cent).

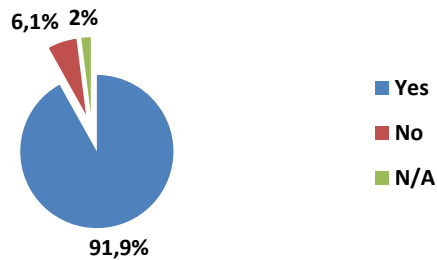
**Graph 15:** Which of the listed management positions do exist in your company?



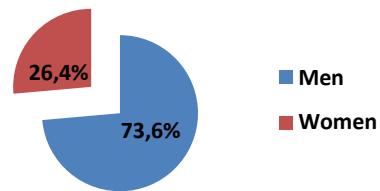
Asked whether they had general managers (CEO), the majority of companies (91.9 per cent) answered positively in contrast to merely 6.1 per cent of companies without a CEO. In 73.6 per cent of companies which do have it, the CEO position is held by men as opposed to 26.4 per cent of companies which CEO is a woman. Women are more likely to be CEOs in small and medium-sized companies. If these data are

confronted to those from 2013, we will notice that the situation has deteriorated— four years ago there were 39 per cent of female CEOs in companies.

**Graph 16:** Does your company have a CEO (executive general director)?

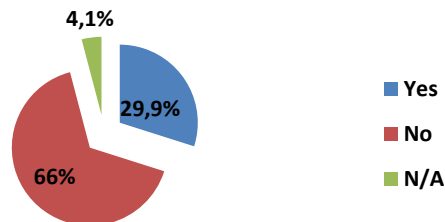


**Graph 17:** Is a CEO a man or a woman?



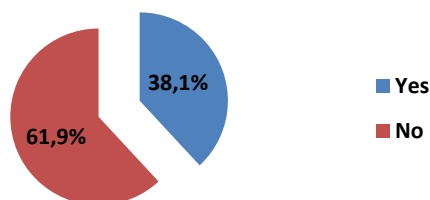
29.9 per cent of the total number of interviewed companies stated that they used to have a female CEO in the past, whilst in 66 per cent of companies a woman has never been in that position. The survey has once again confirmed a worsening trend.

**Graph 18:** Did your company have a female CEO in the past?

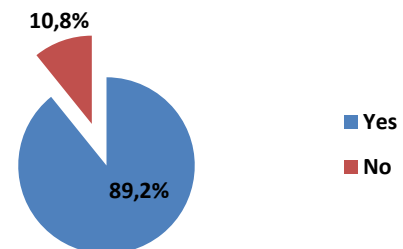


Further analysis of management structure has revealed that the majority of companies (61.9 per cent) do not have a board of directors contrary to 38.1 per cent of companies having such a body.

**Graph 19:** Does your company have a board of directors?

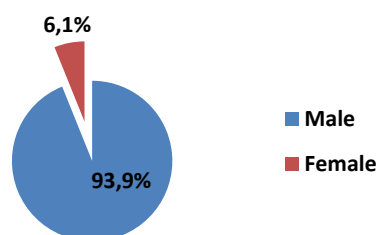


**Graph 20:** If your company has a board, is there a board president?

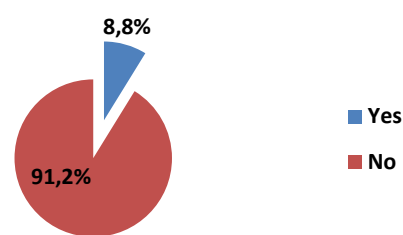


89.2 per cent of companies having a board do have a president of the board as well, whereby this function is performed by 93.9 per cent of men and only 6.1 per cent of women. These figures indicate negative shifts, especially since the findings are much worse than 2013's (when 81 per cent of men and 19 per cent of women were board presidents). Finally, 8.8 per cent of companies with boards stated they had boards' vice-presidents in contrast to 91.2 per cent of companies who reported the opposite.

**Graph 21:** Is a president of the board male or female?



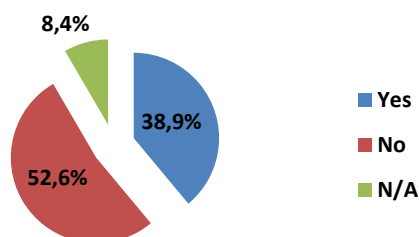
**Graph 22:** If your company has a board, are there vice presidents?



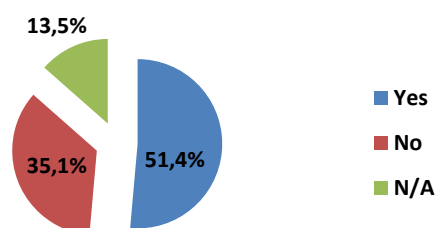
The survey has additionally revealed that in 52.6 per cent of companies there are no other decision making structures or key committees in contrast to 38.9 per cent of companies with such structures. In the latter, the share of women in other decision making structures or key committees is 51.4 per cent. Women are mostly in the boards of companies operating in: financial intermediation, fishing, electricity, gas and water supply, agriculture and forestry.

Findings on levels of female and male wages coincide with 2013 survey results whereby it is worth mentioning that in 2017 there was a substantial increase in alternative decision making structures as well as an increase of women's participation in those bodies.

**Graph 23:** Are there in company any other decision making structures or key committees?



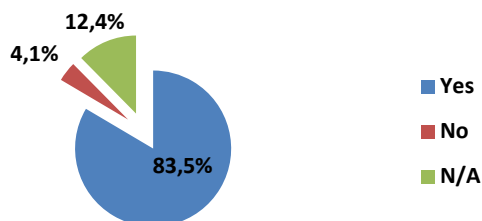
**Graph 24:** If yes, are women present in these structures?



In 83.5 per cent of interviewed companies, female and male managers receive the same salary for the work at the same level in the hierarchy (2013: 84.1 per cent) which is particularly characteristic for

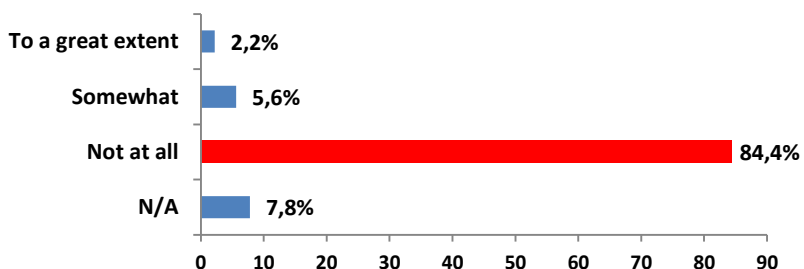
medium-sized enterprises owned by Montenegrin citizens. Differences in payments on these grounds are reported by only 4.1 per cent of interviewed companies.

**Graph 25:** Do female managers receive the same salary as male managers at the same level?



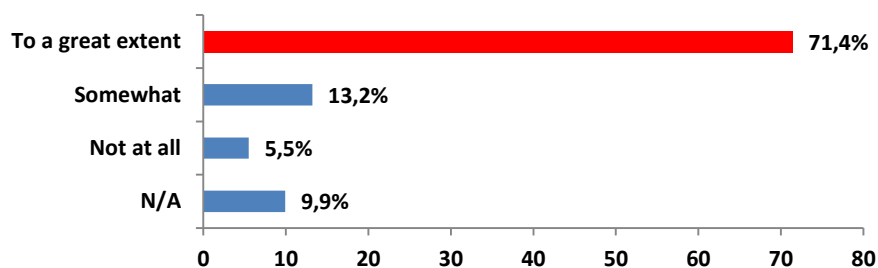
Further analysis of the position of women managers (Graphs 26 - 28a) examined the differences between men and women related to conditions for performance pay elements of the remuneration package, benefits they earn (such as: travel allowance, vehicle, bonuses, etc.) as well as their involvement in company and intra-company networking.

**Graph 26:** Is there a difference for male and female managers in conditions for performance pay elements of the remuneration package?

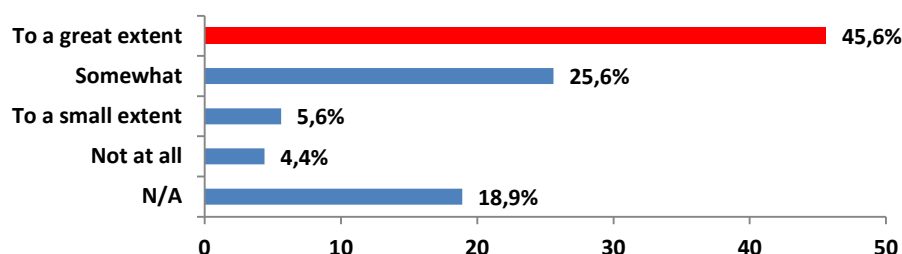


According to survey findings, in 84.4 per cent of the interviewed companies there are no differences for male and female managers in conditions for performance pay elements of the remuneration package in contrast to 5.6 per cent of companies with slight and 2.2 per cent of companies with substantial differences in this regard.

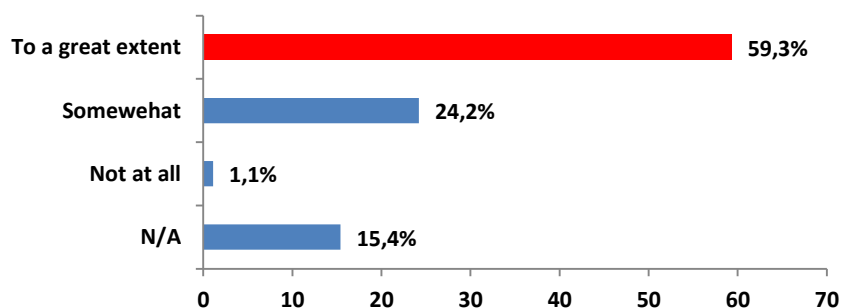


**Graph 27:** Do female managers receive the same benefits as male managers?

Survey findings have shown that in 71.4 per cent of interviewed companies female managers have to a large extent the same benefits as their male counterparts (travel allowance, vehicle, bonuses, pension contribution etc.), while merely 5.5 per cent of companies reported that men's and women's benefits in this regard are not equal.

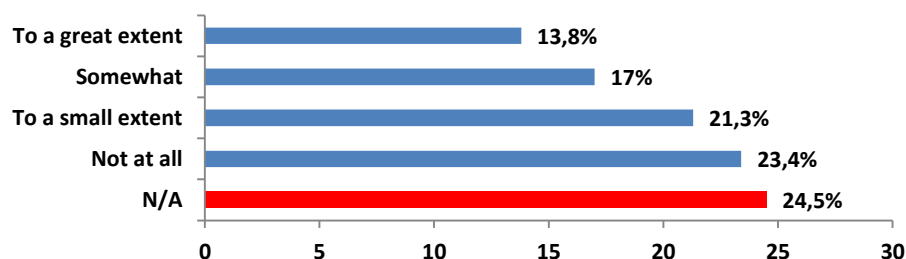
**Graph 28:** Are managers involved in company or intra-company networking?

71.2 per cent of the interviewed companies have their managers to a large or certain extent involved in company or intra-company networking whilst 4.4 per cent of companies reported that their managers were not involved in company or intra-company networking which is an improvement compared to 2013 data (62.8 per cent).

**Graph 28a:** Are female managers as involved as male managers?

83.5 per cent of companies thereby reported an equal involvement of female and male managers in company and intra-company networking (2013: 73.2 per cent) as opposed to 15.4 per cent of companies which could not respond to this question.

**Graph 29:** Are female managers involved in networking with professional women and business women associations?



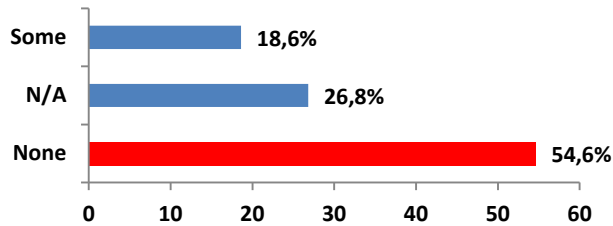
30.8 per cent of companies reported that involvement of female managers in networking with professional and business women associations exists to a large or to a certain extent, in 21.3 of companies it is rarely the case whilst for 23.4 per cent of companies such practice is unfamiliar. These scores are worse than those from 2013 when 44.2 per cent of companies reported that female managers' involvement with professional associations existed to a large or to a certain extent. 2017 survey has also revealed that weak networking of female managers with business women and business women associations is a particular feature of small enterprises owned by Montenegrin citizens.

By examining the reasons behind a woman's decision to leave a company and company's relation to such occurrence, the survey has revealed that the largest share of interviewed companies (54.6 per cent) does not recognize starting the business as the reason why women leave the company unlike 18.6 per cent of companies having reported a few of such examples.

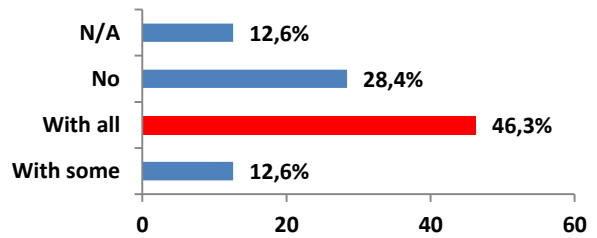
Exit interviews with employees who leave the company are mostly carried out whereby the most of the companies (46.3 per cent) have exit interviews with all employees leaving the company in contrast to 12.6 per cent of companies that does it only with some employees.

It is worth highlighting that during the exit interviews gender equality issues are mostly not brought up (68.4 per cent) which points to the similar practice as evidenced in 2013 (64.7 per cent).

**Graph 30:** Did you experience a case of women leaving the company in order to start their own business?

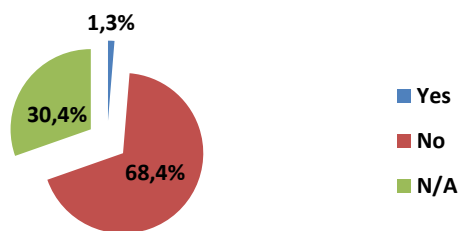


**Graph 31:** Does your company/enterprise conduct exit interviews with employees who leave the company?

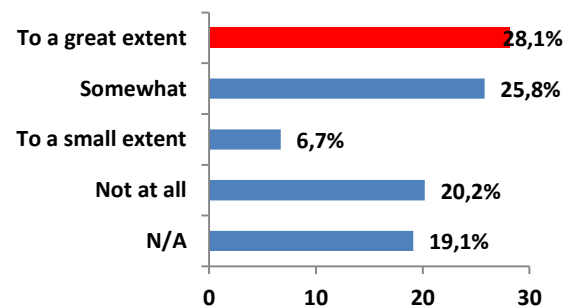


Survey findings have shown that for 28.1 per cent of interviewed companies retention of skilled women is a great challenge, for 32.5 per cent it represents a challenge only to a small or to a certain extent whilst for 20.2 per cent of companies retention of skilled women is not considered a challenge.

**Graph 31a:** If exit interviews are conducted with all or individual employees are gender equality issues brought up?

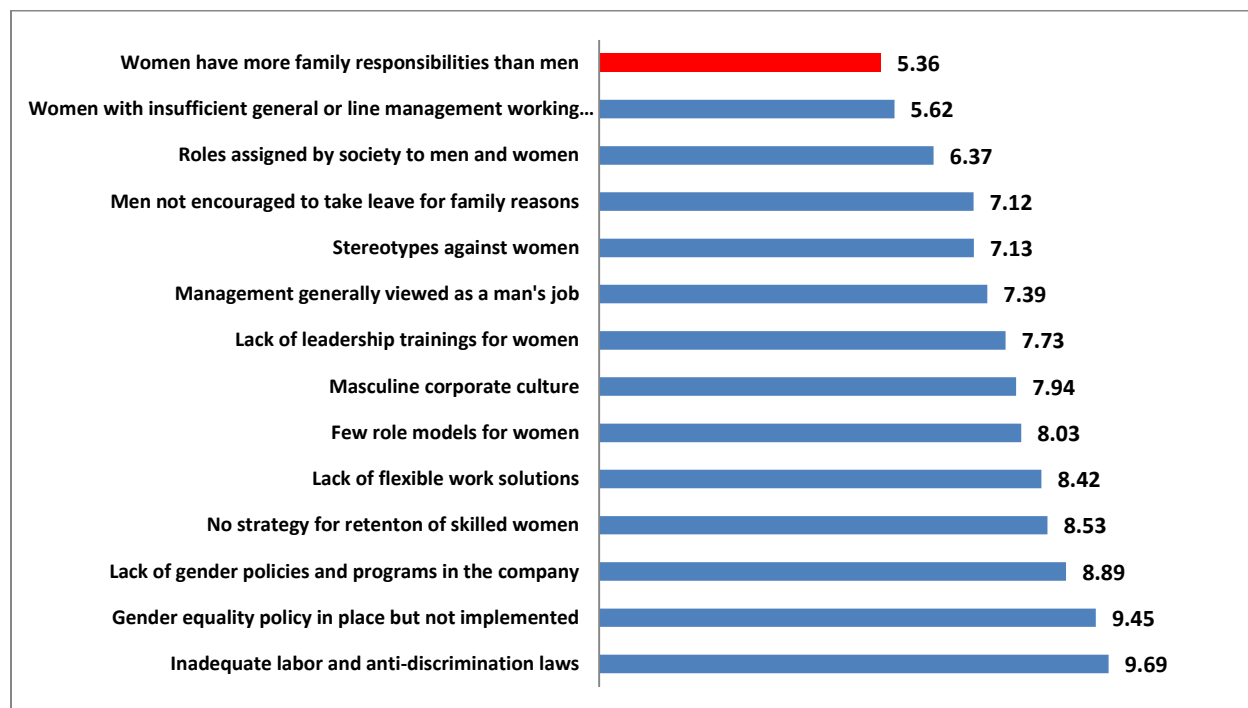


**Graph 32:** Is retention of skilled women a challenge for your company?



## D – BARRIERS FOR WOMEN’S LEADERSHIP

Respondents had the opportunity to rank the barriers for women to rise to senior and top management positions in their companies on the scale from 1 to 15 (1 being a most significant and 15 the least significant barrier). Below is the overview of respondents’ attitudes on barriers to women’s leadership in companies based on the average scores given to each of the barriers.

**Graph 33:** Barriers for women to rise to senior and top management positions in companies

According to respondents' attitudes, the six most significant barriers for women's leadership in companies are:

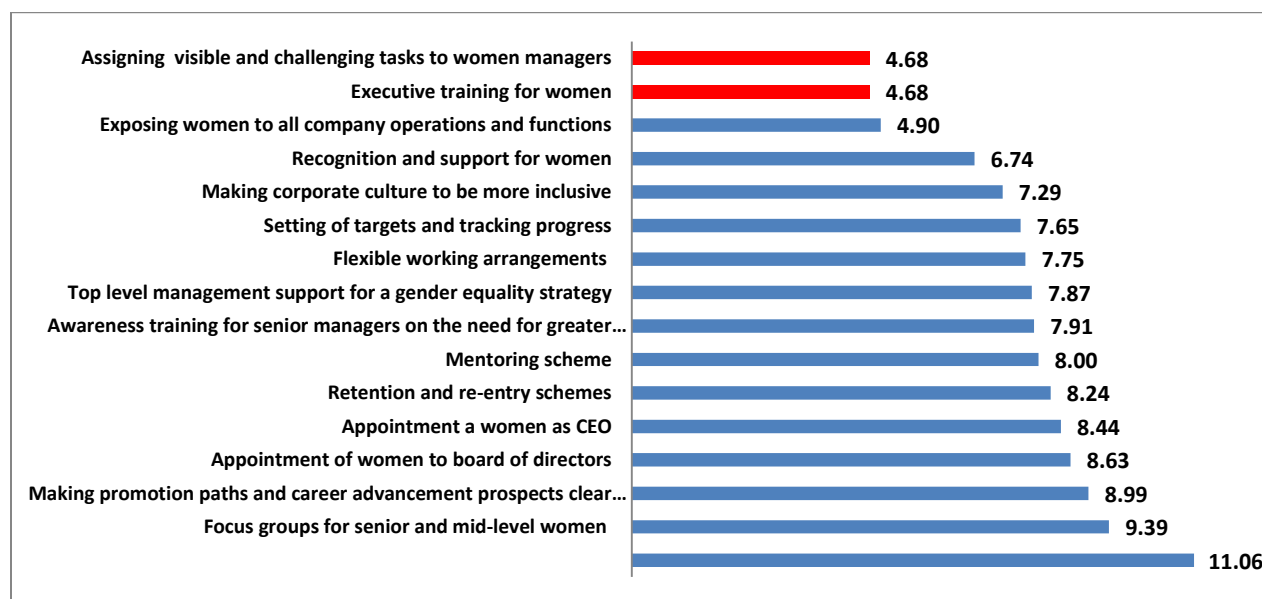
1. Women have more family responsibilities than men (5,36),
2. Women with insufficient general and line management working experience(5,62),
3. Roles assigned by society to men and women (6,37),
4. Men are not encouraged to take leave for family reasons (7,12),
5. Stereotypes against women (7,13),
6. Management generally viewed as a man's job (7,39).

Comparison of these data with 2013 survey findings reveals that four barriers among six identified each year are identical. It points to the conclusion that there have not been significant changes in perception of potential reasons for low numbers of women in senior and top management i.e. their slower advancement towards those positions over the last 4 years.

## E – MEASURES TO ADVANCE WOMEN IN BUSINESS AND MANAGEMENT

Respondents had the opportunity to rank measures which implementation, in their opinion, may ensure advancement of women in business and management of their companies. Advancement measures are ranked on the scale from 1 to 16 (1 being the top priority and 16 the lowest priority measure). Below is the overview of respondents' attitudes based on the average scores given to each of the measures.

**Graph 34:** Measures to advance women in business and management



According to respondents, the six top priority measures to advance women in business and management/leadership are:

1. Assigning visible and challenging tasks to women managers (4,68),
2. Executive training for women (4,68),
3. Exposing women to all company operations and functions (4,90),
4. Recognition and support for women (6,74),
5. Making corporate culture to be more inclusive (7,29),
6. Setting of targets and tracking progress(7,65).

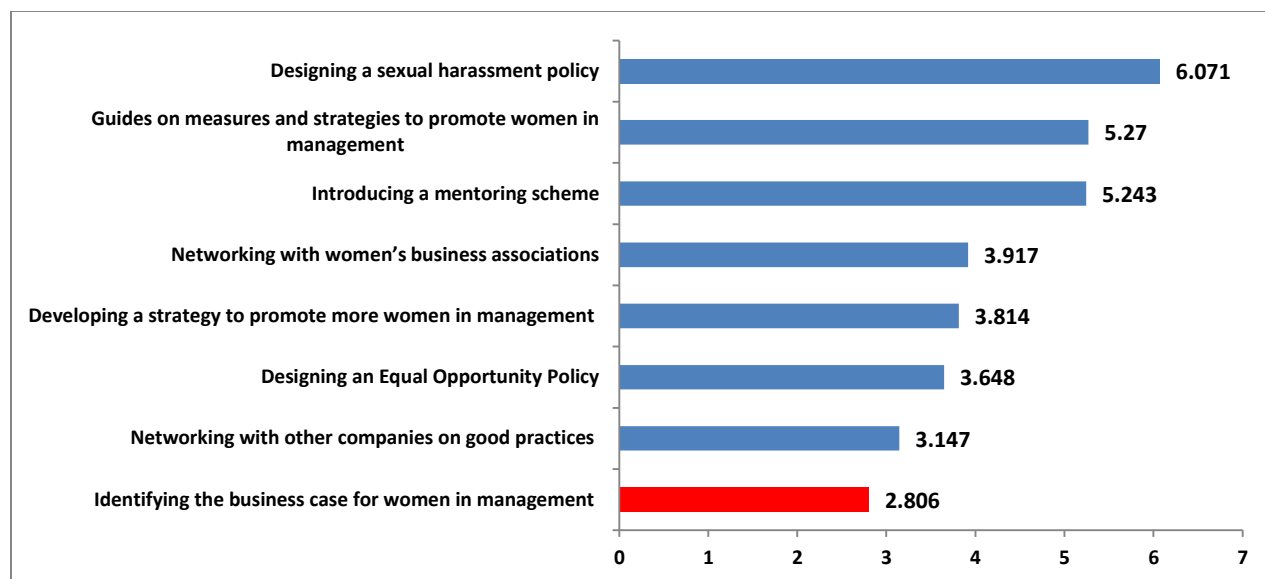
In this case, we notice that respondents' opinions on key support measures for women leadership have not considerably changed compared to a situation in 2013. Only the measure "setting of targets and tracking progress" was not on the list of "top 6 priority measures" in 2013 survey.

## F – SUPPORT MECHANISMS (FOR COMPANIES)

Survey participants had the opportunity to rank the areas where, in their opinion, a national employers' organization and the ILO could provide them with the greatest support for retention and attraction of skilled women and stronger promotion of women managers in their companies.

Support mechanisms are ranked on the scale from 1 to 8 (1 standing for the most beneficial and 8 for the least beneficial support).

**Graph 35:** Support mechanisms by a national employers' organization and the ILO



The five most beneficial support mechanisms by a national employers' organization and the ILO recognized by Montenegrin companies are:

- Identifying the business case for women in management (2,8);
- Networking with other companies on good practices (3,15);
- Designing an *Equal Opportunity Policy* (3,65);
- Developing a strategy to promote more women in management (3,81);
- Networking with women's business associations (3,92).

## 3.2 CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

According to available statistics, women in Montenegro earn 13.9 per cent less than their male colleagues (for the same work), they own just 9.6 per cent of businesses and only 4 per cent of houses, 8 per cent of land and 14 per cent of weekend houses in the country. Women are less represented in legislative and executive power and only in judiciary they outnumber their male colleagues. Unlike men, women are the absolute minority in the positions of presidents of local governments as well as in decision making positions in education – except for pre-school education.

The fact that gender equality in the labor market has still not been achieved is proven by figures telling that women mostly do jobs that carry less responsibility; they are paid less and advance more slowly in the hierarchy.

Still, from the perspective of the structure of educated population, women with higher education degree in Montenegro are the majority compared to men – among students of both sexes that acquired a bachelor degree there are 62.2 per cent of women whilst 63.3 per cent of female students acquired master degree (2015). Nevertheless, women still face a number of barriers in their professional career, especially in terms of their advancement and access to management positions in companies and their decision making bodies. In simple words – better education have not ensured better paid jobs for women. The latter is confirmed by EIGE figures on women positioning in the largest Montenegrin companies at the stock exchange market which reveal that there are 23.3 per cent of women in the boards whilst only 10 per cent of women are chairs of the boards (June 2017).

This mismatch between the number of women with higher education degree and their insufficient presence at management and decision making positions points to the fact that a significant number of companies in Montenegro deliberately gives up of knowledge, skills and potential of specially qualified staff and thereby of good business results and numerous other benefits that stem from engaging such staff. It should be highlighted thereby that the negative effects of rejection of staff with higher education degree from corporate ladder, are particularly felt by the state (lower GDP) but also by the overall Montenegrin society (lower productivity and living standard).

That women in Montenegro have still not got the opportunity to express their economic potential in appropriate way and give their full economic contribution is clearly told by survey findings which are presented in this Report. Some of them are:

- Both horizontal (so called grouping of women into typically “female”, lower paid occupations) and vertical segregation (limited professional advancement and few women in so called “positions of power”) are noticed in the labor market in Montenegro.
- Companies in Montenegro are characterized by men supremacy over women at all management and decision making levels – except for middle one (where women prevail with 50.1 per cent). The analysis reveals that the share of women in companies’ top management positions is only 36.6 per cent; that the CEO role is held by 26.4 per cent of women while merely 6.1 per cent of women perform duties of board chairs.
- Women prevail in positions of managers for communication and PR (82.1 per cent) as well as in positions of human resources managers (75.6 per cent). One should have in mind that these figures, among other things, point to gender segregation among management occupations, i.e. to the phenomenon of “glass walls” in Montenegrin companies.
- Very few companies in the country monitor and report on the ratio of women to men at different levels in the hierarchy (18.3 per cent). Namely, although the majority of interviewed companies reportedly have the *Equal Opportunity Policy* (75 per cent), less than a half of large companies and only one in ten small enterprises monitor and report on the above.
- During exit interviews with employees who leave the company, gender equality issues are usually not brought up (68.4 per cent).
- The least implemented initiative aimed at promotion of equality of men and women taken up by Montenegrin companies is the access to executive training for women (46.7 per cent).
- According to respondents, the three most significant barriers to women leadership in management in Montenegro are: (1) women have more family responsibilities than men, (2) women with insufficient general and line management working experience and (3) roles assigned by society to men and women.
- The three most significant measures to promote position of women in business and management recognized by respondents are: (1) assigning visible and challenging tasks to women managers, (2) executive training for women and (3) exposing women to all company operations and functions.



- According to respondents, the three key areas where the national employers' organization and the ILO can provide the greatest support to companies to attract and retain skilled women and to provide stronger promotion of women managers are: (1) identifying the business case for women in management, (2) networking with other companies on good practices and (3) designing an *Equal Opportunity Policy*.

### Recommendations

Establishing of structured and transparent system of human resources management, based on equality and non-discrimination principles, can help Montenegrin companies to respond to everyday business challenges and the major of them all – a fight to attract talents. The ability to attract and retain the best workers – both women and men, is the key to productivity, innovations and business success of a company. To this end and in order to plan future activities and launch initiatives targeted to support economic empowerment, leadership and professional development of women, companies in Montenegro along with other organizations (in public and civil society sector as well as in media) are advised to:

- provide support to development of organizational culture that ensures diversity and equal opportunities for leadership of both women and men;
- introduce regular practice of analyzing the situation and changes originating from economic empowerment of women at workplace;
- publicly promote potential, role and importance of women managers as well as the importance of having the greater share of women in different structures and levels of management. It includes public promotion of successful women managers and business results they accomplish;
- give active contribution and help women managers and leaders to develop their careers in a way which, among other things, include the following support models: encourage and stimulate women to invest in their career development, enable women to fully access skills upgrading and professional development programs (especially those in middle management positions), involve women in mentorship programs, create family-friendly policies, promote the importance of networking and encourage women managers to active participation and membership in women business networks and associations, etc.

Changing of mindsets and traditional attitudes referring to gender equality and positive shifts such as closing the gender gap in the labor market are the processes that take time, full commitment and

engagement of all segments of society. On the road to achieving the above which certainly is ahead of Montenegro, the attention should be given to encouragement of economic empowerment, leadership and professional development of women which will take place not only at management level in companies but also in organizations existing in other spheres of public, political and social life. A special contribution to the above can be given by media which have an important role in acting proactively, focusing on generating awareness about the importance of gender equality and especially on the activities of promoting successful business women and everyday results they achieve.

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