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ARTICLE INFO

JOURNAL
“Problems and Perspectives in Management”

FOUNDER
LLC “Consulting Publishing Company “Business Perspectives”

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Gender equality in post-socialist country: case of Estonia

Abstract

Although according to geographical location and cultural roots Estonia belongs to group of Nordic countries in Europe, gender egalitarianism in Estonian society is lower and women have a lower status in the Estonian labor market compared to men. Estonian Gender Equality Law came into force in 2004, however, this law does not function in reality. Current empirical study in 301 Estonian private sector companies shows that only 6% had read the act. Authors apply institutionalism in order to explain the attitudes toward gender equality in Estonian society. At the same time, Estonia still needs to implement changes more rapidly than traditional capitalist countries in order to improve its living standards. As women in Estonia are more highly educated than men and it is useful for society to implement their knowledge and skills in the labor market. As there is a general interest in increasing the natural growth of the population, the implementation of flexible job practices for choosing working time and workplace could help. Achieving higher gender egalitarianism in Estonian organizations and society is of critical importance. The challenge is to develop it in such an unfavorable environment.

Keywords: gender equality, Estonia, gender equality act, gender analysis.

JEL Classification: J16.

Introduction

Women and men represent two major social groups that differ from each other in terms of living conditions, experience, needs and interests. In every society there is historically and culturally established gender inequality, expressed by different status of women and men, and difference in various rights, obligations, liabilities and opportunities. Thus entire social structure represents different expectations with regard to social roles, division of tasks, emotionality, ways of communication, self-realization and behavior of women and men. These qualities are not inherent, but instead shaped by social environment, which, at the same time, reproduces inequality (Norberg et al., 2006, p. 5).

The issue of providing equal opportunities for men and women to enable their participation in social life is paramount worldwide and has been declared one of the millennium objectives by the United Nations. Information furnished by the publications of European Union, International Bank for Reconstruction and Development and World Economic Forum support the presence of gender inequality also in the countries of European Union (Doblohofer and Küng, 2006, p. 5). Despite certain improvement in the knowledge and understanding of social processes and structures in Estonia over the recent years, the attention devoted to gender stratification and related problems has been insufficient (Assessment of Factors Based on Gender (2004), Ministry of Social Affairs (in Estonian)).

There are differences in involvement of men and women in organizations (Chhokar et al., 2007). At the same time, increasing global competition puts more and more pressure on organizations (House et al., 2004) and more creative ideas are needed for answering to this pressure. Studies from Western Europe indicate that the issue of gender should feature heavily in the design and implementation of modernization programmes (Alas and Rees, 2005).

There have been studies about institutional context of gender equality, how active are women on labor market (Dickens, 2006) and women entrepreneurs in connections with development of entrepreneurship on state level (Baughn et al., 2006). Stereotypes about genders have been researched on in context of workplaces and leadership and how these stereotypes could be changed (Wu, 2006). Metcalfe and Afanassieva (2005) explore the significance of the worker-mother contract in Russia and how ideologically and structurally this role was central to communist work systems. This paper is an attempt to explore gender equality issues in another former Soviet Republic, in Estonia. During last less than two decades Estonia has passed through its transition from the authoritarian, centralized, totalitarianism of state socialism, to the democratic country with a free market economy, with different attitudes and values. Estonia has been relatively successful in moving to an openly market-based economy (Savchenko, 2002).

The paper starts with the theoretical overview about gender equality issues and institutional context, which is followed by results of empirical study in Estonian private enterprises.

1. Theoretical framework

Gender stereotypes comprise the collective beliefs and perceptions of members of the society on the essential differences of men and women (Chafetz, 1990, p. 36). With the help of gender stereotypes all gender characteristics are reduced to separate fea-
1. Research in gender equality.

Studies have been carried out mostly with regard to professional activity of women (Dickens, 2006) and female entrepreneurs (Baughn et al., 2006). Another issue that has been covered involves the impact of gender stereotypes on professional life, taking the lead and potential opportunities to change (Wu, 2006). The research carried out by international network on comparative human resource management CRANET paid attention to exploring flexible work methods and practice of reconciliation of work and family life (Linehan and Hanappi-Egger, 2006; Mrčela and Ignjatović, 2006; Sadar, 2006). Estonia should follow the good example of Sweden where gender equality in professional life has been put in practice for the last two decades, thus contributing to achievement of high professional level in maintaining gender equality (Wahl and Höök, 2007).

The concepts of masculinity and femininity have been tackled by several international research projects. The research by Hofstede (1991) in IBM showed that men working in an organization pay more attention to income and career progression, which is associated with masculinity, self-assertion and competition. For women good work relationships with their manager and colleagues were the most important, which is associated with femininity, caring and social environment. At the same time, the strength of orientation to relations related with organizational culture is deemed to boost organizational learning (Alas and Vadi, 2006), whereas staff training, carried out either individually or in a group, serves as a prerequisite for successful implementation of changes (Alas and Sharifi, 2002). Global survey 2004 revealed that in a group of companies with the highest proportion of women in top management positions, economic indicators were much better than in a group where women were under-represented in top management positions: return on equity was 35.1% and shareholders’ total revenue was 34% higher (Doblhofer and Küng, 2006, p. 6). Thus involvement of women in decision-making process contributes to the success of the organization.

Companies with employees who differ on the grounds of age, ethnic origin, disability, marital status, income and also sex, entail much more creative and innovative potential, while monoculture companies fail to use full creative potential (ibid, p. 9).

The dimension of femininity is significant on national level as well: Hofstede (1991) found that in masculine cultures governments are more willing to sacrifice natural environment to achieve greater economic growth.

As one of the nine cultural dimensions of worldwide Globe Programme, gender equality demonstrates the extent of conditions established to ensure equal opportunities for men and women on organizational level and in the society (Holmberg and Akerblom, 2007, p. 43). The quality of life is higher in societies where men and women are provided with more equal opportunities to participate in social and organizational life: people have higher life expectancy, they are more educated and happier and satis-
fied with their life, and they have higher standards of life (Emrich et al., 2004, p. 368). Higher appreciation of gender equality makes people more open to changes and thus affects the economic success of organizations and entire nation (Emrich et al., 2004, p. 370). GLOBE survey in Estonia (Alas, 2006) showed that Estonia ranks higher than Finland in gender egalitarianism, but is still far from Sweden (8th place) and Russia (2nd place) (Chhokar, 2007, p. 1092). Respondents were also asked, which level of gender equality they actually would like to have. Answers indicated that Estonia and other Nordic countries wanted much higher gender egalitarianism, at the same time there was almost no difference among reality and desires in Russia (Grachev et al., 2007, p. 814).

1.2. Gender equality in Estonia from institutional perspective. Expectations with regard to being a woman or a man become evident in gender roles, gender ideology and gender stereotypes dominant in a society. They vary in different time period and culture, therefore they can be changed (Norberg et al, 2006, p. 9). Studies of leadership also suggest a different pattern of leadership behavior in Eastern Europe, from that in Western or Northern Europe, and this has been explained by the heritage of the communist era (Alt et al., 2003). It indicates impact of institutions. Therefore institutional development has impact on attitudes toward gender issues as well. From gender equality perspective it is important to mention, that before unlawful incorporating into Soviet Union in 1940 Estonia was independent country with Western values in terms of a work ethic, individualism and free enterprise were adopted in institutions in the field of economy and education (Barnowe et al., 1992, p. 180).

50 years in Soviet Union impacted values and attitudes in Estonia, including attitudes toward gender roles in society. During the Soviet period, Joseph Stalin’s repressions and the Second World War severely decreased the male population and women had to take over various’ traditional men’s activities. Later the Communist Party controlled ‘right’ balance of men and women in the political and government bodies (Grachev et al., 2007). Independence was regained in 1991 and the transition from a control-led to a market-based economy started. Alyanak (1999) believes that these reforms have influenced women more than men: in the 1990s women’s unemployment exceeded that of men (38.3% of women and 24.7% of men) and women were paid less than men, even if they were more skilled than men. The same view is supported by report on Estonia concluded by USA in 2004 (Bureau of Democracy, Human Rights and Labor, 2004), which states that although men and women in Estonia are entitled to equal rights pursuant to Estonian law, the actual practice is quite different. Despite the fact that women are better educated than men, on average, they earn less than men and horizontal gender segregation persists. According to Rõõm and Kallaste (2004), on average, women earned only 75.7% of men’s net wages in 2001. Brainerd (2000) analyzed the situation of men and women in 10 post-socialist countries, including Estonia, Poland, Russia and Ukraine, and came to conclusion that the amount of work done by women is much greater than that of men. Although women constitute almost half of Estonian working force, they are also responsible for most of the household tasks (Bureau of Democracy, Human Rights and Labor, 2004).

In 2002 a survey was carried out in 39 Estonian companies which revealed different attitude of male and female managers towards changes: male managers expected to benefit more from the changes than the female managers (Alas and Rees, 2005). This indicates that male managers are more favored in Estonian companies: their interests are taken into account more frequently than the interests of female managers. Edwards et al. (1999) provide the following explanation: in view of the fact that managerial positions in a company are predominantly held by men, it is not very likely that women’s interests are taken into account when planning changes in organizational structure. At the same time this survey shows that elderly female managers are more dedicated to their company than other respondents and they are ready to make greater contributions in achieving organizational goals than others. Elderly female respondents also demonstrated greater satisfaction with the activities of company managers and had more faith in their ability to solve problems encountered by the company. This benefits both employees and employers, which in turn affects job satisfaction and organizational learning (Alas et al., 2007). As implementation of organizational changes requires skill-building and altered attitudes and behavior from the members of the organization, organizational learning can be considered prerequisite for successful implementation of changes (Tsang, 1997).

In a joint European Commission and Estonian government report (Nestor and Diamantopoulou, 2001, p. 11) the situation in Estonia was summarized as follows: lower employment of women and wage differences and division of professions between men and women block full participation of women in the labor market. In consideration of gender inequality (Kirpal, 2004) several countries are recommended to carry out separate analysis of men and women within the
framework of conducting survey on employees’ adaptation to changes. High-quality gender analysis is based on quality database, regular data collection and data processing (Doblhofer and Küng, 2006, p. 22). Gender equality is not just a women’s question – it also concerns organization and can be tackled by acquisition of relevant knowledge about gender issues (Wahl et al., 2005, p. 50).

2. Organizations and the Gender Equality Act
Organizations can be observed as small models of society with their own socialization processes, social standards and structures, and certain values, beliefs and connotations attributed within an organization. Thus organizations play an important role in the production and reproduction of currently valid gender ideology and gender relations. Within organization, male and female staff work together in order to achieve the objectives of the company (Doblhofer and Küng, 2006, p. 57). Gender composition of a working collective has an impact on integration, communication and level of conflicts between team members. This in turn affects individual job satisfaction, motivation, and labor turnover (Bygren and Kumlin, 2005).

Attempts have been made to remedy situation in Estonia by means of The Gender Equality Act passed in 2004 which aims to establish equality in settings such as the labor market, education and social security. The Act clearly prohibits direct discrimination against men and women; further, the concept of indirect discrimination is introduced and measures against indirect discrimination are provided.

Therefore the research question is how aware Estonian managers are about gender equality issues and how well Estonian employers know The Gender Equality Act and do they implement the Act.

3. Empirical survey in Estonian companies
In order to answer this question the survey was conducted in August and September of 2007 in 301 Estonian private sector companies. The companies were chosen as a result of random sampling from companies established at least 3 years ago. The survey was ordered by the Estonian Ministry of Social Affairs.

The questions were asked about the attitudes and preferences of executives in the Estonian private sector regarding personnel policy, flexible work arrangements and the equal treatment of male and female employees, as well as the need for relevant courses and informative and educational materials. The method of data collection involved telephone interviews.

3.1. The sample. The proportion of companies with less than 10 employees was 27%, 29% had 10-49 employees, 28% had 50-250 and 17% had more than 250 employees.

The proportion of companies in wholesale and retail trade or dealing with the repair of motor vehicles, motorcycles and personal and household goods was 26%, 13% were construction companies, 2% were in health and social services and 13% – other community, social and personal services. Those dealing with real estate, rentals and business services amounted to 11% and 9% were in the processing industry. Twenty-six enterprises were from the primary sector; 82 from the secondary sector and 193 from the tertiary sector, which dominates the Estonian economy.

Nineteen percent of the enterprises had operated 3–6 years, 20% – 12-15 years, 19% – 9-12 years, 17% – 6-9 years, 11% more than 15 years, and 2% more than 20 years.

Eleven percent of the enterprises have some foreign capital, 61% of these have a relative share of foreign capital higher than 50% – 38% of these have Finnish owners, 22% Swedish and 14% Latvian. The most important market for 19% of the enterprises was abroad, while the local market was the most important one for 41% of the enterprises. The most important market for the remaining 41% was within up to 50 km of the company’s location.

Target group consisted of company managers responsible for making decisions on management, development of organizational culture and personnel policy (promotion, recruitment, remuneration). Fifty-nine percent of the respondents were owners and 41% paid employees in the company.

Weighted average values have been used in later calculations so that the results can be extended to generally all private companies in Estonia.

4. Results
The respondents were asked whether they agree with the statement that women’s position on the labor market is lower than men’s. The replies showed that 55% of respondents considered the position of women on the labor market to be lower than that of men.

Opinions differ in companies where either female or male employees are prevalent. 26% of companies where most employees are female claimed that women are offered smaller wages for working on the same position; the same indicator was 9% for companies with mostly male employees.

Managers were asked whether there are certain positions in the company where mostly men or women apply to. The responses revealed that such positions exist in 59% and do not exist in 40% of the companies.
4.1. Results of gender analysis in the company. 50% of the companies gave a positive response to the question whether the company’s personnel and accounting system allows for a comparison of respective data of men and women. The system of 36% of the companies did not allow that. The respondents were asked whether the respective company had compared the indicators given in Table 1 among male and female employees over the past few years. Those who answered in the positive were also asked whether the results of comparison have revealed any differences. In the table, the order of indicators has been changed so that the most compared indicators are listed first. The last column lists the number of companies who, as a result of comparison, identified a difference in the compared indicators for men and women.

Table 1. Comparison of indicators for male and female employees

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Yes</th>
<th>Occurrence of a difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of women and men among employees</td>
<td>8%</td>
<td>38</td>
</tr>
<tr>
<td>Average wages of female and male employees</td>
<td>2%</td>
<td>13</td>
</tr>
<tr>
<td>Gender distribution of applicants for jobs</td>
<td>2%</td>
<td>9</td>
</tr>
<tr>
<td>Working time for female and male employees</td>
<td>2%</td>
<td>3</td>
</tr>
<tr>
<td>Gender distribution of hired employees</td>
<td>1%</td>
<td>10</td>
</tr>
<tr>
<td>Promotion and career of men and women</td>
<td>1%</td>
<td>5</td>
</tr>
<tr>
<td>Participation of men and women in training</td>
<td>1%</td>
<td>1</td>
</tr>
<tr>
<td>Use of holiday days of female and male employees</td>
<td>1%</td>
<td>2</td>
</tr>
</tbody>
</table>

The respondents were also asked about the nature of identified differences. The comparison indicated that the percentage of men among employees was higher in 15 cases and the percentage of women was higher in 7 cases. The salary of male employees was bigger than that of female employees in 9 cases. In four companies, women were prevalent among applicants for jobs. Regarding hired employees, men were prevalent in 5 cases and women in 3 cases. It can be concluded from the results that the position of men and women on the labor market is different, men are preferred both in applying for a job and as in establishing a salary.

The results listed in Table 2 show that three out of four companies do not find it necessary to compare the average hourly wages of female and male employees.

Table 2. Comparison of average hourly wages of female and male employees

<table>
<thead>
<tr>
<th>Option</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we have analyzed the formation of wages</td>
<td>6%</td>
</tr>
<tr>
<td>We have discussed it but not carried out a thorough analysis</td>
<td>2%</td>
</tr>
<tr>
<td>We do not see a need for that in our company</td>
<td>73%</td>
</tr>
<tr>
<td>Such comparisons have not been carried out in our company</td>
<td>18%</td>
</tr>
</tbody>
</table>

4.2. Attitude towards gender equality. There are many ways for identifying attitudes towards gender equality. In the course of this survey, the respondents were asked whether more attention should be paid to the mentioned topic, and a number of statements were provided to the employees, which in addition to questions directly addressing gender also covered other areas related to this problem (Table 3). This comprised use of flexible working time, which would provide women with more opportunities for joining the staff, also attitude towards the diversity of the staff: whether companies prefer a staff composed of similar people or of as different people as possible. The company’s recruiting policy is shaped according to this attitude, and this results in either a similar staff or a staff representing various subgroups of the society.

Table 3. Managers’ attitude towards various issues

<table>
<thead>
<tr>
<th>Statements</th>
<th>Completely agree %</th>
<th>Rather agree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible organization of working time makes working much more effective and produces better results</td>
<td>48</td>
<td>37</td>
</tr>
<tr>
<td>Equal treatment of men and women in the company attracts more competent and better applicants for jobs</td>
<td>28</td>
<td>51</td>
</tr>
<tr>
<td>Gender inequality is a far-fetched problem and not one for the employers in the private sector</td>
<td>26</td>
<td>39</td>
</tr>
<tr>
<td>Addressing issues of equal remuneration of men and women creates opposition among employees</td>
<td>2</td>
<td>30</td>
</tr>
</tbody>
</table>

The respondents most agreed with the statement that flexible organization of working time makes working much more effective and produces better results. Almost half the respondents completely agreed with this statement, over one third of them rather agreed and only 3% completely disagreed.

Approximately 80% tended to agree with the fact that equal treatment of men and women in the company attracts more competent and better applicants for jobs. 28% of respondents completely agreed, 8% completely disagreed.

However, nearly two thirds of respondents found that gender inequality is a far-fetched problem and does not concern the employers in the private sector. Only 2% completely disagreed with this statement.

The least popular statement was the one claiming that addressing issues of equal remuneration of men and women creates opposition among employees. 31% completely disagreed, less than a third tended to agree with the statement.

4.3. Awareness about Gender Equality Act. The managers were asked if and how they have acquainted themselves with the Gender Equality Act.
34% of respondents had read about the Gender Equality Act from a newspaper, 12% had read the comments at the entrepreneurs’ Internet portal, 9% had been given an overview by colleagues, 6% had read the Act and 6% heard something from other entrepreneurs. 49% were not at all acquainted with the Act.

4.4. Benefits of equal treatment of men and women. More than half the respondents, who found that Estonian entrepreneurs should pay more attention to the issue of equal treatment of men and women, were also asked about the benefits the companies could get from it. Nearly 80% of company managers found that further attention on equal treatment of men and women in organizations would contribute to keeping qualified employees and increasing employees’ loyalty as well as improving the company’s reputation in the eyes of potential applicants for jobs.

Conclusions

Gender system is a power system. It always entails power relations between men and women. The relationship between men and women on society level represents relationship with unequal power distribution, where men dominate and women are subordinated or under-represented in most spheres of life. Men and the tasks, roles, functions and values attributed to them are often more highly valued than women and their relevant parameters. Entire society is captivated by this prejudice: masculine standards are considered standards for entire society and this reflects on activities and structures that, often unwillingly, re-produce gender inequality (Norberg et al., 2006, p. 15).

According to current study women have a lower status in the Estonian labor market compared to men. Although the Estonian Constitution establishes a framework for equality between men and women and the Gender Equality Law came into force in 2004, this law does not function in reality. Current empirical study in 301 Estonian private sector companies shows that only 6% had read the act and 49% had not acquainted themselves with the Gender Equality Law. The personnel recording and accounting systems enable the organization to compare relevant data concerning male and female employees only in 50% of enterprises.

At the same time the research results indicate that more than half of the respondents found that Estonian employers should pay more attention to issues relating to the equal treatment of men and women in companies.

This low interest in gender equality could be explained by the institutional developments in Estonian history. There are several areas that were over-emphasized during the Soviet occupation: 100% of employees belonged to trade unions, there were no jobs only for men and women, women could also drive tractors and work on construction sites and so on. The result is that after regaining independence people chose the opposite: there is no communist party in Estonia, even the social democratic party has not existed for more than 10 years and membership of trade unions is one of the lowest in Europe (Alas and Edwards, 2007). A very similar reaction occurred in respect to gender equality – this issue has a somewhat negative image. Gender equality is seen as a far-fetched problem that does not concern private sector employers according to 65% of respondents, only 2% does not agree with this. Most people are not interested in this issue.

At the same time high gender egalitarianism in society could be seen as positive indicator, because of its strong positive correlations with life expectancy, happiness, life satisfaction and standards of living (Emrich et al., 2004, p. 368). Members of societies that embrace more gender egalitarian values attach less importance to order and stability, indicating a greater acceptance of change (ibid, p. 370). Estonia still needs to implement changes more rapidly than traditional capitalist countries in order to improve its living standards. Therefore, achieving higher gender egalitarianism in Estonian organizations and society is of critical importance.

It probably takes several generations to get over this negative feeling. Forcing the issue of gender equality could backfire as it did in the Soviet occupation resulting in the opposite of the desired outcome. At the same time, creating equal opportunities for men and women in work provides opportunities to make more efficient use of the human capital in Estonian society. This is especially important because of the growing deficit in the workforce in Estonia (Kaarelson and Alas, 2007). Creating better opportunities for females to work in management positions has not been sufficiently valued in Estonian society.

Women in Estonian society are more highly educated than men (Karu, 2007), and it is useful for society to implement their knowledge and skills in the labor market. As there is a general interest in increasing the natural growth of the population, the implementation of flexible job practices for choosing working time and workplace represents one method for increasing the participation of women on labor market. The greater involvement of men in fulfilling family obligations can be expanded in the same manner through better use of options for organizing their work. Increasing the flexibility of work is to a great extent related to employer attitudes and the desires and needs of the employee. Principal
limitations of the objective of increasing flexibility are factors arising from the character of the work. In some instances, the current labor legislation is an obstruction.

Even though part-time employment could potentially be a solution for combining work with family life, in present-day Estonia it is actually used as a solution to other problems that require flexible work (Karu and Anspal, 2007).

To conclude, each forceful act at the societal level has its price to be paid by future generations. Over-emphasizing gender equality in the Soviet Union has had its own impact on equal opportunity issues in present-day independent Estonia. To return to a normal developmental path may not be possible in the coming decades, although it could still represent the key for future economic success. The challenge is to develop higher gender egalitarianism in an unfavorable environment as Estonian society today.

References


