

# THE BUSINESS CASE FOR GENDER EQUALITY IN OUR SOCIETY

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The complex tapestry of gender equality is composed of various hues— equality of opportunity, breaking down of gender stereotypes, respect for roles played by women in the household, crimes against women, and female infanticide. In this column, I focus on one of these hues—the role of gender in the economy—seen not through the lens of women, but from the point of view of companies and society at large.

The facts have been evident for some years now. Companies across the world with more than one woman on their boards have generated shareholder returns 3.3% higher each year than companies with no women on the board. A Harvard Business Review study shows that companies with women occupying 30% of leadership positions are 15% more profitable than companies with no women in leadership positions. Closer home, if Indian women participated in the workforce to the same extent as women across the world, India's gross domestic product (GDP) would be higher by 27% and grow an additional 1.5% each year.

Yet, women remain unequal when it comes to economic opportunity, especially in India. Only 18% of India's GDP is from paid work by women, compared to 40% in China. Only 27% of India's workforce is composed of women, compared to 48% globally. India ranks 120 among 131 countries in female labour force participation rates. Only 14% of India's elected members of Parliament are women, compared to, say, 24% of the members of the House of Representatives in the US.

India being a very diverse nation, it is difficult to make country-level analyses and conclusions. For example, in Nagaland, there are eight women for every 10 men in the labour force, as against just two women for every 10 men in Delhi.

These variations notwithstanding, women's participation in the labour force can be analysed across three income levels. Women in very low-income households work by necessity, mostly in the informal sector. An estimated 120 million, or 97% of all female workers, fall into this category. Here, participation rates of rural women are twice as high as those of urban women and they presumably work on agriculture or low-paying jobs. Similarly, participation rates of women with no secondary or higher education are far higher than those who receive secondary education.

In the next category, as families become more prosperous and the need to generate income diminishes, fewer women enter the labour force. Societal norms favour women playing the role of caregivers and home-makers. As income levels increase further, women begin to enrol in college and are thus exposed to opportunities in the formal sector, leading to greater participation in the labour force.

In this last category of college-going women, one observes a curious phenomenon. While 44% of graduating college students are women, only 25% of entry-level professionals are women. This indicates yet another cultural norm of early marriage and home-based roles for women. Moreover, this 25% drops further to a paltry 4% of CXOs in India who are women.

Of the various hurdles faced by women working in the formal sector in corporate India, that of subconscious bias is perhaps the most prevalent. Well intentioned corporate leaders must nip this in the bud and set an example for the rest of the organization to follow. This is an area where a zero-tolerance policy is essential.

Another serious hurdle is the culture of face time, where employees who are seen to spend long hours in the office beyond regular working hours are identified as high performers for promotion and receive higher remuneration. This, combined with the expectation that an employee must be ready to work at any place and any time, makes it much more difficult for women to succeed.

Legislation at the national or state level mandating gender equality can go a long way in removing these hurdles. Better education for the girl child, removal of barriers to entrepreneurship and other such legislative actions make the system more conducive for women to succeed in.

However, corporations need not wait for such legislation and, indeed, must begin to practise these policies on their own. Support for women employees in the form of child care, maternity leave and flexitime can go a long way in this regard. Corporate fiats requiring the equal and unprejudiced treatment of women in the workplace, and requiring equal representation in teams, committees and boards, have proven to be effective in many instances.

Most substantially, addressing the complex issue of gender equality requires a shift in attitudes, both at the individual and societal levels. For example, 70% of Indians believe that when a woman works for pay, her children suffer. However, working supports the economic and financial independence of women, giving them the freedom to pursue their choices, and putting them on an equal footing with male wage-earners. In collaboration with the Bill and Melinda Gates Foundation, we have established a centre to study what works to advance women and girls in the economy.

Respect for women and their freedom is something we must build into our society— for society's sake more than for women's sake.

*Kapil Viswanathan is vice-chairman of Krea University*

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