

LEADERSHIP

Why Gender Equality Matters In Business Success



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COUNCIL POST | Membership (Fee-Based)

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Mar 27, 2020, 07:00am EDT | 63,996 views



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According to the World Economic Forum's [Global Gender Gap Report 2020](#), North America won't see gender equality for 151 years. The report also states that gender parity can have a large impact on whether an economy or society will thrive.

That's right — a country's gender gap could affect its power and influence on the rest of the world.

As a society, we're leaving a lot of money on the table by allowing the gender gap to continue. In fact, McKinsey & Company's [Global Institute report](#) found that narrowing the gender gap could add between \$12 and \$28 trillion to the global GDP.

So, how do we narrow the gap and start reaping the economic benefits of gender parity? First, we need to learn how to recognize gender inequality.

What does gender equality look like?

- **Equal pay:** Pay rates should not be determined based on a person's gender (or race, age, religious affiliation, sexual orientation, etc.).

Early in my corporate career, I had the same job as three men — and they each made more than I did. When I discussed it with our boss, he said the guys had wives and families to support, and that I didn't need as much money since I was single without children. Luckily, later at that same company (in a profit and loss job with a different boss), my compensation was based on results, just like the five other men who were also in these roles.

- **Equal treatment:** This was an issue I faced as the only woman on a 14-person executive team years ago. Many discussions and decisions happened on the golf course or in the men's room during meeting breaks. I was invited to come to the golf course — but only if I was willing to drive the cart and serve the men beer. Because I declined to be their driver and waitress, I was shut out of the team-building. (I'd like to think these scenarios don't still happen, but they probably do.)

- **Equal representation on leadership teams, corporate boards, etc.:** Leadership teams should equally represent both men and women.

Have you heard of the “broken rung?” [Studies show](#) that women aren’t getting promoted to managerial positions, which is the first step toward senior leadership. Therefore, they’re stuck in lower-level positions and prevented from advancing — likely due to [biased opinions](#) and discrimination toward women in leadership.

- **Equal access to training and career-building**

opportunities: Throughout my corporate career, mentoring and career progression programs weren’t usually offered to women. Men assumed that female employees would only work until they had children, or that they would prioritize their husbands’ jobs and leave their own when their husbands were relocated.

As a result of these prejudices, many women left their positions for ones that paid better and offered more professional development opportunities.

- **Company benefits should reflect the needs of all**

employees, as well as their families: Offering the flexibility to work from home or adjust their work schedules helps men and women take care of their children without having to sacrifice their careers.

Providing PTO instead of vacation time is another way to give employees the freedom to use their time off for whatever they need — whether it’s doctor’s appointments, caring for an aging parent or just a day off.

How are companies impacted by their own culture and policies regarding gender equality?

Businesses and nonprofits that actively support gender equality tend to make better business decisions —and ultimately make more money. Research [shows](#) that inclusive teams make better business decisions up to 87% of the time, and that teams with less

diversity are more likely to make poor choices for their companies.

A study from McKinsey & Company, which analyzed more than 1,000 companies worldwide, proved that organizations with greater diversity among their executive teams tend to have higher profits and longer-term value as well.

What's more, companies with low rates of both gender and racial diversity are 29% more likely to make less money. In other words, it's likely harmful to a company's bottom line if its leadership teams don't have diversity.

When women are given access to opportunities for career growth, they can make a huge impact on their company. When I was the only woman on senior staff, I had the authority to launch initiatives that began the process of equity and supported women and minorities throughout the organization, including a mentoring program and a diversity leadership council. Two years later, the functional areas led by women were the highest-producing departments with the lowest turnover rates.

Businesses that show a commitment to gender diversity tend to attract and retain better talent. According to McKinsey & Company, more companies have identified gender diversity as a top priority. However, that isn't always reflected in the companies' culture and policies — and it affects employee job satisfaction and how long both men and women want to stay with the company.

How can companies close the gender gap?

Nonprofits can close the gender gap by making equality a strategic objective, just like any other business goal. Leaders need to create a culture that encourages safe communication so topics like inequality can be discussed honestly. This will make it easier to identify and correct gender inequality throughout the

organization. Boards should represent all forms of diversity (especially as it relates to who is served by the nonprofit). Salary offers should be based on the job, not what they made in their last position; since women are typically paid less than men, this should help to balance previous pay inequalities.

While some work needs to happen at a public policy level, organizations like [Lean In](#), [McKinsey](#) and [Paradigm for Parity](#) have outlined specific actions you can take to make real change at your company.

It's time to finally close the gender gap and tap into the potential the world has been overlooking for centuries.

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