Empowerment and Gender Equality: The Retention and Promotion of Women in the Workforce

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Globalization has provided opportunities for a more diverse workforce and recognition of diversity as an essential, integral part of empowerment. As the workplace changes as a result of globalization, technology, and diversity, organizational leaders must strategically accommodate these changes. Organizational leaders must be strategically proactive to keep their organizations competitive and successful for the long term and not simply survivors in increasingly competitive markets. This article discusses how empowerment and gender equality can be used from a strategic perspective to hire, promote, and retain women in the workforce and in so doing contribute to organizational success. In addition, Department of Labor statistics are analyzed and discussed from the gender equality perspective.

INTRODUCTION

“So often, it takes only one woman to make a difference. If you empower that woman with information, training, or a microloan, she can lift up her entire family and contribute to the success of her community. Multiply that one woman’s impact by a hundred or a thousand, and perhaps a million lives can change. Condoleezza Rice, former US Secretary of State” (Ernst and Young, 2009, p.14).

Women contribute a new and diverse business perspective to a highly competitive market. In fact, studies suggest that “investments in women yield large social and economic returns” (The business of empowering women, 2010, p.7). Chen, Kark, and Shamir (2003) defined empowerment as “the process of raising others’ self-efficacy perceptions” (p. 248). This means empowering employees to recognize and act on their own respective abilities and self-motivation. This also involves the promotion of innovative thinking and welcoming of new ideas. Further research suggests that the concept of transformational leadership promotes self-esteem and confidence and encourages employees to be self-thinkers rather than creating leadership dependency (Chen, Kark & Shamir, 2003). In addition, “transformational leadership involves transforming the values and priorities of followers and motivating them to perform beyond their expectations” (Chen, Kark, and Shamir, 2003, p.247). According to Burns (1979), the originator of the
concept, transformational leadership “occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivations and morality…” (p. 382). Humphreys (2005) indicates that with the mutual enhancement of leader and follower enthusiasm and morality, “the goals of each become fused in the best interest of the organization (p. 1411).

Viewing empowerment from a gender perspective, leaders need to incorporate these concepts into the strategic management of their respective organizations. This paper discusses how gender equality and empowerment can be leveraged from a strategic management perspective to promote and retain women in the workforce. Claude Ake (2000, p.70) emphasized that “democracy is never given; it is always taken” (as cited in Lindberg, 2004, p.28). Therefore, it is incumbent upon women to assert their expectations of empowerment, just as it is incumbent upon citizens to assert their expectations of democracy.

In terms of achieving growth and profitability, women play an important role in public and private organizations. In addition to their impact on organizations, the employment of women also impacts at the national level. For example, “women’s contribution to U.S. economic growth . . . has been significant. If no additional women had joined the paid economy since 1970, US GDP would be 75 percent of its current size” (Arora, Ayanova, Barsh, Lund, Malhotra, Manyika, Sumner and Yee, 2011, p. 2). Moreover, upon analyzing U.S. Department of Labor (2011) data on usual weekly earnings from current population survey we found that weekly earnings today without women contribution is 27.59% less than what it should be or if no additional Women had joined the economy since 2002, Median Weekly Earnings would be 72.41 percent of its current size (See Figure 1).


“Women’s unfulfilled potential significantly hinders economic growth” (Nikolic & Taliento, 2010, p. 24). One study indicates that “lower education and employment rates for women are responsible for (about) 1.6% difference in annual GDP growth between South Asia and East Asia” (Nikollic & Taliento, 2010, p.24). According to Robert Zoellick, President of World Bank, “gender equality is simply smart economics” (As cited in Kent, 2010, p.4). Women are considered an important resource in the transformation of organizations because they are a “source of creative and imaginary ways of adapting to changing circumstances” (Masini, 1994, p.51). Women act as catalysts to suggest solutions to internal
organizational problems as well responses to changes that result from the impact of macro-environmental forces.

A COMPETITIVE NEED FOR WOMEN IN THE WORKPLACE

As businesses continue to globalize and the workforce becomes more diverse, companies are faced with difficult situations and decisions to align strategically and culturally in an effort to remain competitive and successful. Effective decision making is crucial. A wrong decision in today’s competitive workplace can have severe consequences impacting the success and direction of a given company. As previously discussed, technology enhancement and globalization are two factors that have added new elements of competition. Another significant factor is the growing number of females entering the workforce and the increased value placed on retaining female talent (Cabrera, 2009). Also, women are the “most dynamic and fastest-growing economic force in the world today” (Kent, 2010, p.3). Women account for $20 trillion in spending worldwide and $4 trillion in women-owned business in GDP in the U.S. (Kent, 2010).

Professional women are entering the workforce at the same rates as men. As of August, 2011, the total number of nonfarm women employees and private women employees account for 49.4% and 47.9% respectively (The Employment Situation, 2011). Yet something happens along the way resulting in disproportionate lower numbers of women in managerial positions. Although females make up nearly half the workforce, only 3 to 5 percent of top executives among Fortune 500 firms are women (Cabrera, 2009, p. 41). According to the Fortune 500 ranking, only 12 females were able to reach to the level of chief executives position in 2007 (Hill, 2008). Today women account for 46.7% of the total workforce in businesses. Out of the total workforce of women, 37% constitute lower-level and mid-level managerial positions and 26% of women are at senior managerial positions. Only 11 or 2.8% of the women are CEO’s of the fortune 500 companies (Sperling, 2011). This percentage has remained constant from 2007 to 2011. A 2011 McKinsey report stated that “only 16% of entry level women agreed that they “have always aspired to be in top management. That’s just one out of six educated, entry-level women who wants to reach the top. And (only) 14% (of them) think that it’ll be worth the cost to get there” (Barsh & Yee, 2011, p. 1).

The December, 2010 report of the Joint Economic Committee chaired by Representative Carolyn B. Maloney, stated the following: (1) For the first time in (U.S.) history, women comprise half of the U.S. workforce, (and) women have pulled ahead of men in educational attainment” (Invest, 2010, p. 5). However, their salaries have not kept pace with their entrance into the workforce and their educational achievements. Upon analyzing the U.S. Department of Labor (2011) data on Median usual weekly earnings of full time wage and salary workers by occupation especially in the category of a) management, professional, and related occupations and b) management, business, and financial operations occupations, we found the Median weekly earnings of women employed in this category of industry to be 77% of men’s Median weekly earnings in 2000 (i.e., women made 77 cents for every dollar that men earned). The interesting phenomenon is that this ratio is dropping significantly so that in 2011, women made only 73.4 cents for every dollar that men earn for those in management, professional and related occupations. (See Table 1).

It is becoming increasingly important for organizations to increase the strength of women in top-level positions. In order to achieve this objective, McKinsey & Company suggested that “if companies could raise the number of middle management women who make it to the next level by 25%, it would significantly alter the shape of the pipeline” (Barsh & Yee, 2011, p. 1). This would help to balance the workforce at executive positions, which in turn, would increase the likelihood of sustaining gender diversity at every level of organizations. It is necessary to view the contributions of women from a competitive standpoint.
Employee retention theory, specifically female retention, employee satisfaction and women’s impact on productivity and profits are critical metrics. Therefore, the best employers are reevaluating what truly matters to their employees and how their respective organizations can retain talent and remain competitive. Organizational leaders should consider the concepts of empowerment and motivational factors that are inspired by transformational leadership in an effort to retain females in the workplace (Chen, Kark & Shamir, 2003). In addition, money spent in training each female employee, the time and experience invested in the company and relationships, both external and internal, are costly for a company to lose, given the population of female workers in the workplace. Furthermore, “studies show that organizations with a higher number of women executives have higher profits” (Cabrera, 2009, p. 45).

Catalyst (2011) research found “a 26% difference in return on invested capital (ROIC) between the top-quartile companies (with 19-44% women board representation) and bottom quartile companies with zero woman directors” (As cited in Arora et.al, 2011, p. 1). This raises an important question as to why women are dropping out of the workforce. As women struggle to “climb the corporate ladder” and simultaneously take care of their responsibilities outside of work, companies are losing females, therefore losing profits and competitive advantage. The low ratio of executive females to males is significant compared to the percentage of females in the workplace. Therefore, it is imperative for organizational leaders to re-evaluate their strategies in an effort to retain female talent and remain competitive in the market.

GENDER EQUITY IN NATIONS AND ORGANIZATIONS

Today, organizational leaders use the most innovative technology to automate processes, cut costs and to act more quickly than the competition. This women empowerment strategy is also a focus on beating the competition. A large focus in corporate strategy today is to recruit the most talented individuals in the market. According to the World Economic Forum Global Gender Gap report (2010), Nordic countries such as Iceland, Finland, Norway, and Sweden are the top four countries to demonstrate the greatest equality between men and women. The United States is in the nineteenth position in terms of gender equality gap which seems to reflect the extent of acceptability of women in the workplace. 2011 U.S. government statistics reflect gender inequality related to pay, executive positions and other such variables. As mentioned previously, the U.S. Department of Labor (2011) indicated that when compared to Men’s median weekly earnings, Women’s median weekly earnings rose from 2000-2009 (77% to 80.2%), but dropped from 2009 to 2011 (80.2% to 73.4%).

Gender equality leads to improvements in the work practices, increased rate of education for women, reduction of the wage gap and participation of women in decision-making structures at the political level (Global Gender Gap, 2010). Klaus Schwab, Founder and Executive Chairman of the World Economic Forum made a statement about gender equality that leaders of nations and organizations should consider:

### TABLE 1
RATIO OF FEMALE & MALE MEDIAN WEEKLY EARNINGS

<table>
<thead>
<tr>
<th>Year</th>
<th>Female to Male Weekly Median Earnings Ratio (%)</th>
</tr>
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<tbody>
<tr>
<td>2000</td>
<td>77</td>
</tr>
<tr>
<td>2005</td>
<td>81</td>
</tr>
<tr>
<td>2009</td>
<td>80.2</td>
</tr>
<tr>
<td>2010</td>
<td>75</td>
</tr>
<tr>
<td>2011</td>
<td>73.4</td>
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“Low gender gaps are directly correlated with high economic competitiveness. Women and girls must be treated equally if a country is to grow and prosper. We still need a true gender equality revolution, not only to mobilize a major pool of talent both in terms of volume and quality, but also to create a more compassionate value system within all our institutions” (Global Gender Gap, 2010)

Despite the findings from the World economic forum’s global gender gap report (2010), gender inequality still exists across the nations. Organizations are failing to capitalize the talents of women in the workforce. A study was conducted by World Economic Forum Corporate Gender Gap for the first time in 2010 to assess and analyze the reasons for the ongoing debate regarding the gender gap and position of women in their establishments. The study was based on responses from 600 of the heads of Human Resources from the world’s largest 20 countries. The study included, “the use of gender equality practices such as measurement and target setting, work-life balance policies and mentorship and training” (Dresser, 2010, p.1). The study findings suggested that most of the organizations are missing the gender-equality policies.

Organizational leaders want to attract the people in the workforce who have the most prestigious degrees, continued education, and/or those with reputable work experience. Today, the current playing field is within what Kim and Mauborgne (2005) would call a Red Ocean playing field. The strategy for the most part uses conventional techniques and looks for these candidates in known market space that includes job boards, job postings, resume databases, and social networks targeting those candidates who are seeking employment. Organizational leaders try to maintain an efficient cost structure. To achieve this, it becomes extremely important for organizational leaders to empower and motivate existing employees so that they will want to be successful, continue to build a career and ultimately remain in the workforce.

Cabrera (2009) noted, “Although females make up nearly half the workforce, only 3 to 5 percent of top executives among Fortune 500 firms are women (p.41). This was also supported by a McKinsey & Company study which found that 53% of women are at entry level whereas 14% are at the executive committee positions in corporate organizations (Shellenberger, 2011). This is significant from a cost savings perspective in that leveraging empowerment to promote and retain women in the workforce is vital to an efficient cost structure. This strategy will be discussed in more detail below, and then is followed by challenges that employers face in trying to retain female talent, promote employee satisfaction, and become an employer of choice.

EMPOWERMENT AND GENDER EQUITY STRATEGIES

In the past, women have experienced low economic and social status because of their unequal access to education which also limited their opportunities in politics and government (Foster, 1993). In democratic nations, women were somewhat more empowered to express their views and interests and work in government or politics (Rai, 1994). This was further supported and validated by the participation of women in established democracies in politics and the existence of supportive legislative action (Saint-Germain, 1989; Sinkkonen & Haavio-Mannila 1981; Thomas, 1994). Lindberg (2004) asserted that “an increased political empowerment of women is antithetical to patronialism” (p. 30). As a result, by the end of the 1990’s, a large number of women were in political positions and gender related legislation had been passed in many parts of the developed and developing nations like Europe, United States, India, and many other nations (Batliwala & Dhanraj, 2002).

The effects of diversity on the performance of the organization are varied and discrete. Espousing or promoting greater diversity in work groups helps employees to better understand their respective organizations. The diverse marketplace serves as a sample for the larger population and thus provides better capabilities to penetrate larger margins of various markets (Míínguez-Vera & Martin, 2011). Similarly, Morrison (1992) indicates that diversity in an institutional decision making system “means
engaging in a struggle that is related to business objectives, but the potential payoff benefits within a new work culture make it all worthwhile” (p. 105).

In order to promote and retain women in the workforce, organizations should focus on the concepts of empowerment and flexibility in order to encourage women to want to build careers and desire upward mobility over the long term. Women employees struggle in the workplace to simultaneously thrive in their careers and in their family lives. Leveraging the idea of flexibility as a strategic approach to empower women is a win-win for employers and women employees. From an internal perspective, this will support increased productivity and innovation, employee satisfaction and retention – a realized cost savings. Today, women are seeking flexibility in their careers, and a flexibility initiative allows employers to retain their female talent and a diverse perspective on business (Industry by industry how to move forward, 2011). Also from an external perspective, empowerment and flexibility will attract the most talented women in the workforce, thereby positioning themselves as an employer of choice. In addition to empowering women by means of implementing the idea of flexibility into organizational culture, organizational leaders should focus on considering the concept of empowerment when conducting business research.

Today, many organizations have a designated research team that functions on their behalf in many different ways. Business research can be used to determine changes and their impact on an organization. This can include capturing information about what motivates and empowers the diverse members of the workforce. According to Kim and Mauborgne (2005) in red ocean competition, companies are weighing salary, and benefits. However, in blue ocean competition, research is conducted with an innovative frame of mind, one that captures new ideas, and creates ways to motivate and empower employees and thereby positively impact employee satisfaction.

When researching the diverse composition of the workforce, this should include generational and gender differences in addition to business intelligence. Researchers have to determine what “life” priorities outside of work can increase employee satisfaction. If executed effectively, this strategy has the potential to reduce voluntary women turnover, which increases the efficiency of the cost structure. As a result, organizations can position themselves to become employers of choice for the women talent pool in the marketplace. This would be a direct reflection of the relentless pursuit of an individual’s effort to secure a position that supports the notion of flexibility (Industry by Industry how to move forward, 2011).

GENDER EMPOWERMENT AND WORK-LIFE BALANCE

There are many benefits associated with the concept of work-life balance. These benefits have a domino effect in that when the employee benefits, the employer, in turn, will benefit. For example, when individuals are satisfied with their careers, those individuals will try to keep their careers because a work-life component is significantly rewarding. As this happens, there are specific benefits to employers including “productivity improvements, as great as 50 percent or more, increased employee satisfaction linked to increased customer satisfaction, retention, and profitability, reduced absenteeism and turnover costs” (Casner-Lotto, 2000, p.30).

These increased areas of performance present an opportunity for an organization to expand in the industry and earn higher profits. Another benefit specific to the employer is that as an organization grows in each of these areas of performance; it is working toward becoming an employer of choice. This is particularly true as employee satisfaction and customer satisfaction increase. This attracts more talented individuals and therefore higher quality employees who wish to work for an organization with this reputation. Attracting the talent gives a company a competitive gain in the market. To achieve work-life balance, organizational leaders should place their female employees “in more opportunity-enhancing positions within the corporation so that they can exploit or utilize their talents and increase the probability of climbing up the corporate ladder” (Appelbaum, Asham & Arghyed, 2011, p.354). Work-life balance directly impacts organizations in many positive ways, allowing the opportunity for an organization to better position itself for growth and success in today’s competitive environment.
ORGANIZATIONAL CHALLENGES

Organizations have diverse employee dynamics and when building corporate strategy, this must be considered. In regard to motivating and empowering employees by means of a work-life balance initiative, employers must take into account that what “life” priorities mean to one employee may not be the same for another person. Furthermore, the definition of “life” priorities will differ among cultures, generations, genders, and other life segments and demographic variables. Diversity and generational makeup of the workplace and within the workforce present particular challenges to organizations.

Diversity in the Workplace

Strategic organizational leaders focus on promoting a diverse business perspective in the workplace. This is a competitive effort as a diverse workplace has been known to discover new ideas and incorporate a diverse perspective in decision making. In terms of empowerment and the work-life balance initiative, employers must consider many variables. First, perception of “life” for one individual may be completely different for another individual who may have a different cultural background (Kamenou, 2008). Today’s culturally diverse workforce can present a challenge in defining what is considered a “life” priority to individuals of different cultures. Next, organizational leaders must not only look at their current population of employees. They must also consider the workforce as a whole and analyze it from the perspective of its diversity compared to the diversity strategy of their respective companies in terms of growth. From the competitive perspective, organizational leaders must also look at the direction the workforce is headed. Building strategy in terms of today’s workforce will not suffice tomorrow. Kim and Mauborgne (2005) encourage strategists to look at the big picture, and this applies when analyzing the diverse workforce. Today, organizations are outsourcing projects and work not only for cheaper labor but also for right talent and innovation (Klun, 2008). Clearly, there is no ceiling as to where competition and the workforce are headed.

Generational Differences

Generational differences for men and women pose a big challenge for any organization. Today’s workforce includes three generations: Baby-Boomers, Generation X and Generation Y professionals. This presents a challenge when developing strategies as each generation may be empowered and motivated in different ways. Employers must research and define work-life balance as it relates to the diverse workforce. For example, Generation Y individuals may not have the same desires in life as Baby-Boomers. In addition, research shows that “Generation X and Y workers--50 percent and 52 percent respectively--say they focus more heavily on family than work, compared with 41 percent of baby boomers” (Klun, 2008, p. 14). Baby-Boomers tend to be more attracted to benefits such as retirement packages, whereas today’s generation is seeking the benefit of a work-life balance. Diversity and generational differences in the workplace make strategy development more complex. From a competitive standpoint, the workforce will become increasingly diverse.

Execution of Diversity and Gender Equality Strategies

Execution of strategy is very important for organizational leaders who must make the right strategic decisions and take the right strategic actions. In terms of designing a successful strategy, execution must be considered from a strategic and tactical viewpoint. In addition, it is equally important that there is alignment with the new strategy from the executive level vertically and horizontally throughout the organization. The challenge is to get the “traditionalist” managers onboard. An organization may receive “push-back” from management and non-management personnel as some people are resistant to change (Casner-Lotto, 2000). For example, if a manager does not support gender equality initiatives, his/her direct reports might be hesitant in taking advantage of various programs that the company offers in fear that measurement of their performance (including performance appraisals) would be negatively impacted. In order for gender equality initiatives to be the most effective, efficient, and executed to its highest
potential, management and non-management employees have to adapt to this changes in organizational culture.

Kim and Mauborgne (2005) discuss a very important concept of “Fair-Process” (p.172). Leveraging the concept of fair-process is crucial when executing strategy because employees want and need to understand the purpose behind strategies as well as what their roles will be once strategies are implemented. Regardless of their level, gender, or other demographic characteristics, employees want to feel both valued and appreciated in their working environment. One way to ensure that this emotional fulfillment is achieved for women is for organizational leaders to encourage the involvement of women employees on teams. In this way, they can participate in discussions and decisions that are made in regard to new strategies. Again, this involvement is critical to the success of the empowerment strategy from the gender equality perspective. Kim and Mauborgne (2005) discuss the “Three E Principles of Fair Process which are Engagement, Explanation, and Expectation Clarity” (p.176). Organizational leaders should ensure that these three principles of fair-process are included in the execution and implementation of new strategies for gender equality. This will encourage organizational leaders to be more committed and inspired to execute empowerment as a gender equality strategy.

**CONCLUSION**

As industries continue to become increasingly globalized and more diverse, it is important that organizational leaders adjust their goals, strategies and organizational culture to incorporate gender equality in order to survive and flourish in today’s competitive environment. This paper has focused on retaining females in the workplace through the promotion of gender equality at every level of the organization. Because the ratio of women entering the workplace compared to women leaving the workplace is significant, it is imperative for leaders to take a strategic approach to the retention of female talent. Leaders of nations and their citizens as well as organizational leaders and their employees should recognize the need for gender equality. With U.S. gender equality statistics showing significant declines when comparing the pay of females to that of males, there is still much work to be done if organizational leaders wish to retain women employees.

The work-life balance is one effective retention approach. There are several benefits associated with the work-life balance initiative that are rewarding to both employers and their employees. However, in order to be fully efficient with this strategy, organizations must overcome many challenges, including breaking away from conventional ways of operating. Promoting a work-life balance initiative will empower and motivate women. Such empowerment and motivation are directly related to employee satisfaction, and employee satisfaction is related to the potential for organizational success. Organizations that implement empowerment and gender equality initiatives will be better positioned to compete in an increasingly competitive market.

Organizational leaders can execute empowerment and gender equality strategies by implementing flexibility into organizational culture, policies, and best practices. Promotion and empowerment of women will encourage them to remain in the workforce. This can lead to women’s advancement and utilization of the most effective strategies for creating sustainable change in the organizations.

**RECOMMENDATIONS**

The first recommendations we offer are adapted from an article in the Wall Street Journal (Industry by Industry: How to move forward, 2011) and are as follows:

- Develop industry-wide and company specific mentoring and sponsorship programs for women. Such programs would include succession planning as well so that gender equity is reflected in succession plans.
- Create a national leadership resources portal where women can learn more about what is expected from them as leaders.
- Utilize social media such as Facebook and Twitter to acknowledge successful women leaders.
• Determine how to encourage organizations to appoint more women to their respective boards of directors. The Security & Exchange Commission could require disclosure of women board member organizational goals.

• Persuade organizations to utilize job rotation and other training programs to encourage women to strive for profit-and-loss positions. The establishment of organizational targets and incentives would support the transition of women into such leadership position.

Other recommendations are as follows:

• Organizations and nations should make social investments specifically aimed at empowering women in developing economies (Nikolic and Taliento, 2010: 24).

• Indra Nooyi, CEO of PepsiCo, recommended that there should be “lobby groups for more women leaders in business” (Hill, 2008, p. 1).

• Employers should place female employees in more opportunity-enhancing positions within the corporations so that they can exploit or utilize their talents and increase the possibility of climbing up the corporate ladder. (Appelbaum, Asham, and Arghedy, 2011, p. 354).

• Engaging women in the workforce worldwide would enhance (organizational) innovation and productivity (Shellenberger, 2011, p. 1).

• Organizational leaders need to establish (gender equality) goals that are specific, measurable, and time-based in order that they may subsequently establish executable strategies and tactics (Taneja, Pryor and Humphreys, 2009, p. 8).

• To achieve gender equality objectives, McKinsey & Company suggested that it will be necessary to follow a transformational change management approach. This includes: “creation of a clear vision and compelling business case for change; integration with – and refinement of – the core business management processes; capability building (e.g. helping men and women more effectively sponsor others; and leadership role modeling not just at the top, but throughout management levels to the front-line” (Arora et.al., 2011, p. 3).

• Leaders should utilize a systems approach to managing their respective organizations. The 5P’s Strategic Leadership Model is such an approach (Pryor, et al, 2007).

• Women should understand that it is incumbent upon them to have high expectations of their organizational leaders in terms of empowerment and gender equality.

REFERENCES


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