



Abstract

As we move out of an industrialized society and into a knowledge society, human capital and intangible assets are becoming increasingly important to an organization's success. However, to fully advance to a knowledge society, individual organizations and consumers must know how to transform information into knowledge to produce new knowledge.

Recent research concludes that women have qualities and perspectives that make them ideal knowledge workers, yet men still dominate the space. As an example, the U.S. Bureau of Labor Statistics states that women were nearly half (47.0%) of the labor force, but only slightly over a third (40.0%) of managers in 2020. To fully commit to labeling ourselves as a successful knowledge economy, we must modify the workforce so that men and women contribute equally.

By omitting women's perspectives, our economy's position to maintain a competitive advantage against economies with a more balanced representation of men and women is at stake. This analysis examines how discrimination, specifically sex inequalities in the workplace, may affect our success in the knowledge economy.

Table 1. Labor Force Participation Rate by Sex (percent) and Gender Gap (percentage points)

Country/region	2018		
	Men	Women	Gap
World	76.0	49.3	29.7
Northern Africa	74.1	22.9	51.2
Sub-Saharan Africa	76.4	64.7	11.7
Latin America & Caribbean	78.3	52.7	25.6
Northern America	68.1	56.1	12.0
Arab States	76.3	21.3	55.0
Eastern Asia	76.6	60.9	15.7
South-Eastern Asia & Pacific	81.1	58.8	22.3
Southern Asia	79.5	28.7	50.8
Northern, Southern, & Western Europe	63.6	51.2	12.4
Eastern Europe	67.9	52.9	15.0
Central & Western Asia	73.5	44.1	29.4

Barriers

As a society, it is imperative to our economy that we address the obstacles women face in the workplace and the barriers they must overcome to advance to leadership positions. Attracting and retaining women in the workforce will maximize innovation, creativity, and competitiveness (Hill et al., 2010).

STEM and the Knowledge-Economy

- The U.S. cannot maintain economic leadership in a [knowledge] economy based on innovation, without the workforce educated in STEM fields (Kaufmann, 2008).
- Barrier's women face in STEM fields include:
 - Low self-confidence
 - Stereotyping
 - Inadequate teaching methods
 - Discrimination

Women in the Workforce

- Research suggests 70% of women across the globe prefer to work in paid jobs (International Labour Office, 2019).
- In the US, the labor force participation rate is approximately 56% of women, and 68% of men (International Labour Office, 2018).
- Challenges of women joining the workforce include:
 - Pressure to follow traditional gender roles
 - Transportation issues
 - Lack of affordable care for children/family members

Women in Supervisory Roles

- Although qualified, women are under-compensated and under-represented in supervisory positions (International Labour Office, 2019).
- Obstacles include male dominated organizational cultures, gender stereotyping and discrimination, and the fact women tend to take on more responsibility resulting in less on-the-job experience.

Women in Government

- Global gender equality of women's participation in parliament is still another 50 years away (UN News, 2021).
- Women's labor force participation, political mobilization, and social investment policies positively reinforce each other (Choi et al., 2020).

Discussion

Reducing the gender gap could prove to increase an organization's profitability (ILO, 2019).

- Companies in the top quarter for gender diversity on their executive teams are 21% more likely than other firms to report above-average profitability (McKinsey & Company, 2018).
- A Petersen Institute study found that bringing more women into management positions boosted profitability (Noland et al., 2016).
- Companies where women made up at least 15 percent of senior managers had profitability that was more than 50% higher than those where female representation was less than 10% (The Credit Suisse Research Institute, 2016).

Table 2. Effects of Reducing Gender Gaps in the Labor Market by 2025

Country/region	GDP Increase
Northern Africa	9.5%
Sub-Saharan Africa	2.2%
Latin America & Caribbean	4.0%
Northern America	2.0%
Arab States	7.1%
Eastern Asia	2.5%
South-Eastern Asia & Pacific	3.5%
Southern Asia	9.2%
Northern, Southern, & Western Europe	2.0%
Eastern Europe	2.6%
Central & Western Asia	5.7%

Conclusion

While modest progress is underway to increase women in key positions, organizations in knowledge economies continue to underdevelop their most valuable commodity – human capital and intangible assets. As sex inequalities in the paid labor force continue to discourage a portion of the knowledge workers, namely women, from contributing, organizations are failing to maximize their competitive advantage. By sealing that gender gap, evidence indicates that new perspectives can be found, and the currently underutilized knowledge will increase the value of our knowledge economy.