

## URMĂRIREA EGALITĂȚII DE GEN ÎN CONTEXTUL ORGANIZAȚIONAL

## THE PURSUIT OF GENDER EQUALITY IN ORGANIZATIONAL STRUCTURES

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**Abstract.** *This study investigates the researchers' position on gender equality in the organizational environment and ultimately debating whether Gender Equality has an impact on the financial performance in organizations, but, spoiler, it does. The research is based on a literature review of the available working papers that pertain to the bestowed subject.*

**Keywords:** *Gender Equality, SDG 5, Sustainable Development Goals, Sustainability, Corporate Sustainability Reporting.*

**JEL:** J16, O2, Q01, Q56, M14, G30

## Introduction

The environment, individuals, the well-being of the population, as well as the problems they face today, are the constant concerns of modern researchers (Ionescu et al, 2020). Therefore, this study investigates the researchers' position on gender equality in the organizational environment, in order to determine the relationship between SDG 5, financial performance and the achievement of the sustainable development goals. Moreover, this study is aiming to determine the gaps in academic literature regarding the measurement of gender equality in organizational structures.

## Basic content

In order to provide an overview of the available literature, a literature review was performed. Therefore, the research methodology is based on a qualitative synthesis of the available literature by applying informal and subjective methodologies of collecting and analyzing the literature. For this, the following 3 questions were formulated: *What is the opinion of the academics on gender equality in the organizational environment?; What is the correlation between the measurement of SDG 5, businesses' performance and the achievement of susitanable development goals?; Which are the main gaps in the available literature regarding gender equality in organizational structures?.* This method involved in interrogating the Google Scholar database based on specific keywords, where 32 accessible papers were found, our of which we have selected 20 based on their relevance to the formulated questions.

Considered one of the most important papers regarding sustainability crisis and a cornerstone for environmental initiatives (Ian, 1991), Brundtland Report (1987) claims that sustainability development is a prolonged process of change. Therefore, sustainability has become a topic of significant interest over the years, while in organizational practices, the integration of sustainability principles has become a sought-after concern. The international organizations, whose purpose is to "attain international cooperation, world peace and respect human rights" (De Coning, 2018), have undertook measures to unite the nations' forces in order to achieve a more sustainable and just future for all. Thus, at the New York 2015 summit themed "Transforming our world", The United Nations has published The 2030 Agenda which focuses on sustainability development. The purpose of this agenda is to push the UN member states to follow an action plan for attaining long term global sustainability (UN, 2015b). The 2030 Agenda is organized based on 17 major goals, named Sustainable Development Goals. These objectives are realized within a thoroughly developed strategic framework that is intended to promote and support the interests of humanity and the members of the organization, as well as consolidating world peace and promoting access to impartial and efficient justice systems (Vila et al, 2021). To achieve these goals, a collaborative relationship

between UN, governments, local authorities, academia and the private sector (and its proactive involvement) is imperative (Pillai et al and Avrampou et al).

Nonetheless, companies are constrained to switch their focus, which previously was entirely focused on generating profits, towards the evaluation of non-financial performance (Bonini & Swartz, 2014). Moreover, another author claims that society, however, demands that the entities should be more proficient in their operational activities and is urging them to be socially responsible and to adopt more sustainable working methods (Nichita et al, 2020). Todos (2022) highlighted that integrating sustainable principles in organizations requires the comprehensive understanding and implementation of suitable strategies that can reflect a company's financial performance, as well as its social and environmental impact.

As stated by expert authors in the field of sustainability research, the issue of gender equality persists in all countries, a fact clearly proven considering that the UN has dedicated one of the 17 SDG to the measurement of equity, more specifically SDG 5 (Carlsen & Bruggemann, 2021). SDG 5 measures the progress towards social, political and economic equality between individuals (UN, 2015b). First and foremost, gender equality, which is one of the main objectives of The 2030 Agenda of sustainable development, is a basic human right (OECD, 2023). However, regardless of all the progress made towards achieving equity, gender equality for women remains a problem deeply rooted in today's society (Eden & Wagstaff, 2021). In addition, the COVID-19 pandemic has had a major impact on women (Eden & Wagstaff, 2021), as an extended analysis confirmed its consequences on women's employment rate especially in the industry sectors in which they predominate (Alon et al, 2020), commonly known as 'pink collar jobs'.

Moreover, gender equality in organizations focuses mainly, but not entirely, on wage gaps between men and women and equal opportunities in leadership and decision-making roles (Heß, 2020). Heß in his research concluded that women are treated unfairly in technical job areas compared to men. However, not only men-dominated working sectors are facing this phenomenon. Despite the increase in the number of women in accounting, organizational practices and perceptions are still cultivating gender inequalities (Atena & Tiron-Tudor, 2019). The authors concluded that firstly, it is necessary for organizations to improve their human resources department and, secondly, the government should increase its interest in gender equality policies in order to promote a fair working environment. In addition to this, women have faced gender inequalities at the workplace even in the audit sector. A profiled research found out that gender discrimination is prevalent in leading audit companies through phenomena such as the 'glass ceiling', double standards, maternity and its associated repercussions (Tiron-Tudor & Faragalla, 2018).

However, in attempt to observe a correlation between the measurement of SDG 5, businesses' performance and the achievement of sustainable development goals, we have referenced the accessible literature. Thus, we have found out from one research that increasing the number of women in the board of directors will improve not only the level of sustainability reporting, but also the company's financial performance (Arayssi et al, 2016). The number of women in the board is a measurement part of indicator 5.5.2 from SDG 5. Moreover, in an empirical study based on a comparative approach of the statistical data from the gender equality index and the targets outlined in SDG 5, Eden and Wagstaff advises the enterprises to stop perceiving the Corporate Sustainability Reporting Standards as a „stand-alone activity located in the marketing department”, but rather as an activity which is embedded in the global development strategy. The same authors suggests the companies to incorporate the previously mentioned activity into the company's management system. To strengthen this idea, in a qualitative analysis of the organizational practices in Romania, Puiu (2021) outlined that CSR can be a „strong tool” in achieving SDG 5 and gender equality in organizations. This is an important finding, due to the fact that the sustainable development goal number 5 has the highest number of positive correlations to the other goals from the 2030 Agenda (Kuc-Czarnecka et al, 2023). Therefore, as the performance of the SDG 5 indicator declines, other indicators that are correlated to SDG 5 will be negatively impacted and vice versa. The authors conclude that SDG 5 is „crucial” in the successful achievement of the other sustainable goals.

Some authors have questioned the impact of the diversity among board members on financial and non financial performances and concluded that this aspect must be further analyzed (Nguyen et al, 2020). Likewise, further research could investigate which targets and indicators of SDG 5 are more suitable and easier to implement in organizations, based on several criterias such as country of origin, activity sector and size. This was found as Fallah Shaya et al (2022) suggests that future studies should be conducted to analyze the impact of SDGs on CSR reporting framework focusing on specific countries, industries or companies. The same study demonstrates that the SDGs can be used as a framework for implementing CSR, but further research is needed to determine which goals and targets are more advantageous for certain corporations, depending on their country of origin, industry and business specifications. While conducting the literature review, we could not find information regarding the efficiency of implementing the Blueprint for Business Leadership on the SDG 5 in organizations.

### Conclusions.

In conclusion, based on the conducted literature review, gender equality represents an ongoing and current issue in today's society. In addition to their impact on sustainable development policies, the SDGs represent a unique opportunity in reshaping global economies in a more equitable and sustainable manner. The social responsibility of organizations in the context of gender equality is co-dependent with SDG 5. Moreover, the achievement of Sustainable Development Goal no. 5 has the utmost importance in successfully achieving the other goals elaborated in The UN 2030 Agenda. This paper is subject to several limitations. First, this literature review is limited by its utilization of articles which were filtered by particular keywords. Secondly, the Google Scholar database was exclusively used, therefore, there is a risk of excluding articles from other sources that could have provided a significant contribution to this research.

In a future research, we are planning to carry out a comparative analysis between Romanian and Dutch companies regarding the measurement of gender equality in order to determine the impact of equity in performance, as well as to give recommendations through the prism of sharing good practices. The chosen sample is motivated by the fact that Romania ranked last in the previous years regarding SDG5, while the Netherlands occupied the first positions. Also, to fill the gap in literature on sustainable development goal number 5, we plan to use the indicators proposed in the Blueprint for Business Leadership to determine its effectiveness. Another possible future direction of this study consists in analyzing the influence of the adoption of the new European Standards of Sustainable Reporting on the performances of companies and the achievement of objective no. 5 of the 2030 Agenda. These standards will be developed for multiple activity sectors, which gives the opportunity to research if the quality and consistency of sustainable reporting on gender equality will improve.

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