

Second-Class Behavior

Employers that compensate men with higher salaries than women play a dangerous game that can impact their companies' financial health. **By ANN CARLSEN**

I read an opinion piece recently in which the author addressed the troubles of the Catholic Church. His position was that no society in history, from ancient Rome on down, has ever been able to survive while treating woman as subservient or inferior to men.

Before I continue, let me assure you that my intent with this column is not to discuss religion. I adhere strictly to that wise old adage about politics and religion. Instead, I'd like to address the provocative notion that no culture or society (or, by extension, major corporation) can sustain itself while conferring upon its women second-class status.

The reason the concept intrigues me is that a few days after reading the one column, I read a *New York Times* story about some Harvard researchers who recently conducted a study on women's pay. It concluded that if a man and a woman both try to negotiate for a raise, people are apt to find the woman significantly less "attractive" (their word, not mine) than the man.

As someone who earns her living in professional placement, that doesn't surprise me. I know what role gender plays in the dynamics of the workplace. A woman who is tough, upfront and aggressive in the management of her career is often viewed in a much harsher light than the man who is.

However, what did amaze me was the study's finding that women still only earn 77 cents for every dollar a man earns – even though the average American female worker is now more educated than her average male counterpart. And what was even more alarming to me was the idea that the 77 cents represents an increase of only 18 cents from 1959. 1959!

Granted, many women today have slightly less experience than comparably aged males as a result of time lost through maternity leave and child-rearing. However, when that is taken into consideration, the study reports that there is still a nine-cent wage



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gap between the two genders – something the Institute for Women's Policy Research sublimely calls "unexplained."

I'll say.

Let's consider this wage gap in the context of today's marketplace. The world we live in is one in which women assert staggering influence on the economy.

Consider these numbers I cherry-picked from a handful of recent studies: Women represent over 51% of all college graduates. Women make 83% of all spending decisions in America. (And consumer spending accounts for roughly two-thirds of our gross domestic product.)

And just in case you're thinking those decisions cover only products like milk, mascara and Pampers, last year 60% of all new cars sold in this country were purchased by women.

What's more, in a number of professional fields women far outnumber men, among them: public relations, finance, human resources, education, health services, accounting and education.

As finance professionals, I ask that you

mult that over in the context of your company's attitude toward executive and management compensation. Think about how critical women are becoming in the current economic order.

Think of their greater commitment to educating themselves and their influence on where, when and how frequently a family's discretionary income gets spent. Think, in other words, of how critical women are going to be to your company's future – its positioning and its long-term viability.

Does it make any sense to pay them differently than your male employees? Maybe, but only if you're paying them more. To pay a woman less simply because she's a woman; because she has a husband who will take care of her, or because that's the way things have always been done, is not merely wrong, it's dangerous.

What if it's true that no entity can sustain itself by ignoring women and treating them as second-class citizens? What if your company is clinging to an anchor disguised as a lifeboat – just like so many now long-gone institutions that once clung to archaic, male-dominated ethics and codes of conduct, only to be washed away by the folly of their thinking?

Are you willing to take that chance?

Or more to the point, are you willing to risk losing any number of your absolute best employees to a company that knows the true value of women and – more importantly – is willing to pay them accordingly?

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