WOMEN, COST LEADERSHIP, AND THE FUTURE OF STRATEGIC COST MANAGEMENT IN INDIA: A GENDER-AWARE STRATEGIC COST PERSPECTIVE

Abstract

Strategic Cost Management (SCM) shapes organisational strategy by defining which costs are recognised and which remain invisible. Despite advances such as activity-based costing and value-chain analysis, prevailing SCM practices largely operate within narrow organisational and market boundaries, systematically excluding certain economically significant costs.

This paper argues that unpaid and informal labour—particularly unpaid care and domestic work predominantly performed by women—constitutes a major missing cost domain in contemporary SCM. Drawing on sustainability accounting and feminist economics, it shows that while sustainability-oriented frameworks extend cost horizons, they rarely integrate unpaid labour into strategic cost analysis. Evidence from national time-use studies and institutional research indicates that unpaid care work functions as a hidden subsidy to formal economic activity by reproducing labour power and absorbing social and economic risks.

The paper develops a conceptual foundation for gender-aware Strategic Cost Management that enhances cost realism without challenging SCM's core principles. By revealing systematic cost exclusions embedded in existing practices, the framework offers a more accurate basis for strategic decision-making, particularly in economies characterised by informality and reliance on unpaid labour.

CMA (Dr.) D. Jagannathan
Practising Cost Accountant
Delhi
jagannathan.d@gmail.com

Introduction: Reframing Gender in Strategic Cost Management

Strategic Cost Management is frequently presented as an objective, neutral, and technically precise discipline focused on cost control, efficiency, and competitive advantage. Traditional cost models assume that relevant economic costs are fully captured within firm boundaries and formal market transactions. However, extensive scholarship in cost accounting and institutional economics has demonstrated that the boundaries of cost recognition are socially and organizationally constructed rather than purely technical.

In the Indian context, this limitation becomes particularly pronounced. The economy is characterised by high labour informality, extensive unpaid care and domestic work, and complex, MSME-dominated supply chains. Within these structures, a significant proportion of economic costs—disproportionately borne by women—remain invisible to formal cost systems. The exclusion of such costs does not merely raise ethical concerns; it produces analytically distorted cost structures, encourages short-term efficiency at the expense of resilience, and weakens sustainable competitive advantage.

This paper advances the argument that women's role in Strategic Cost Management should be understood as an issue of analytical depth rather than symbolic inclusion. Gender-aware cost analysis enables a more comprehensive recognition of hidden costs, risk transfers, and long-run value implications. By reframing women as cost stewards and contributors to cost realism, the paper positions gender-aware SCM as a technical imperative for the future credibility of the cost management profession in India.

Literature Review: Strategic Cost Management, Sustainability, and Gender

1. Strategic Cost Management and the Problem of Cost System Boundaries

   Strategic Cost Management (SCM) emerged as a response to the limitations of traditional cost accounting systems that focused narrowly on product costing and short-term financial control. Seminal contributions in SCM literature emphasise that cost systems are not neutral measurement tools but managerial constructs that actively shape strategic decision-making. Kaplan and Cooper argue that the design of cost systems determines which economic activities are recognised as relevant and which remain invisible, thereby influencing managerial perceptions of efficiency, profitability, and competitiveness (Cost and Effect).

   Similarly, Porter's value chain framework highlights that competitive advantage depends not merely on internal cost efficiency but on understanding cost behaviour across interconnected activities within and beyond the firm (Competitive Advantage). These contributions establish a foundational insight for SCM: cost structures are contingent on the analytical boundaries chosen by organisations.

   Despite subsequent advances such as activity-based costing, lifecycle costing, and value-chain analysis, mainstream SCM practice largely remains confined to formal organisational and market-based transactions. Costs that fall outside contractual employment relationships, regulated markets, or firm-level reporting structures are typically excluded from cost analysis. As a result, SCM often achieves optimisation within artificially narrow boundaries, potentially misrepresenting the full economic costs associated with strategic decisions.

2. Sustainability Accounting and the Extension of Cost Horizons

   Recognising the limitations of narrowly bounded cost systems, sustainability accounting and extended cost frameworks seek to broaden the analytical horizon of SCM. Approaches such as full-cost accounting, environmental management accounting, and lifecycle assessment aim to incorporate environmental impacts, social risks, and long-term consequences into managerial decision-making.

   Within this literature, cost is increasingly understood as a lifecycle phenomenon rather than a short-term financial metric. Sustainability-oriented SCM frameworks emphasise resilience, risk management, and long-term value creation, thereby aligning cost management with broader organisational and societal objectives. These developments represent a meaningful expansion beyond conventional efficiency-driven cost optimisation.

   However, sustainability accounting frameworks tend to prioritise externally visible impacts—such as emissions, regulatory compliance, and reportable social indicators—over less visible forms of cost displacement. While social dimensions are acknowledged, they are often treated as qualitative disclosures or ESG metrics rather than analytically integrated cost elements. Consequently, sustainability-oriented SCM remains largely anchored within organisational or market-facing boundaries, leaving certain categories of economic cost insufficiently theorised.

   This limitation becomes particularly salient in economies characterised by high informality and extensive non-market labour contributions. In such contexts, sustainability accounting extends cost horizons temporally, but not necessarily institutionally or socially. As a result, significant economic costs may continue to be transferred outside the firm without being recognised within strategic cost analysis.

3. Feminist Economics, Unpaid Labour, and the Missing Cost Domain

The limitations identified in both conventional SCM and sustainability-oriented cost frameworks point to a critical analytical gap: the systematic exclusion of unpaid and informal labour from cost recognition. Feminist economics provides a well-developed theoretical framework for addressing this gap by conceptualising unpaid care work and social reproduction as economically essential activities rather than peripheral social phenomena.

Extensive research in feminist economics demonstrates (see, for example, ILO; UN Women; national time-use surveys) that unpaid domestic and care work—predominantly performed by women—subsidises formal economic activity by reproducing labour power, absorbing health and social risks, and compensating for deficiencies in public service provision. Time-use studies consistently show that women spend significantly more hours on unpaid work than men, resulting in opportunity costs, health impacts, and intergenerational productivity effects.

From a Strategic Cost Management perspective, these unpaid activities constitute gendered cost externalities: real economic costs that are systematically excluded from organisational cost systems due to prevailing analytical boundaries. While sustainability accounting acknowledges social impacts in general terms, it rarely integrates unpaid labour into cost structures or strategic decision models. As a result, firms may appear cost-efficient while relying implicitly on cost transfers to households and communities.

In economies such as India—where informal employment and household-based care economies play a central role—this exclusion has significant implications for cost realism. Feminist economics therefore complements SCM and sustainability accounting by identifying a missing cost domain that materially affects long-run cost behaviour, risk exposure, and value creation. Integrating this perspective enables SCM to move beyond surface-level sustainability concerns toward a more analytically complete representation of economic cost.

Integrative Perspective

Taken together, the literature on Strategic Cost Management, sustainability accounting, and feminist economics forms a coherent analytical progression. SCM establishes that cost systems are strategically consequential and boundary-dependent; sustainability accounting extends cost horizons toward long-term impacts and resilience; feminist economics reveals the gendered cost domains that remain systematically excluded despite these extensions. This integrated perspective provides the conceptual foundation for gender-aware Strategic Cost Management, which seeks to enhance cost realism by recognising hidden cost transfers embedded in existing economic and organisational structures.

Conceptual Foundations of Gender-Aware Strategic Cost Management

1. Defining Key Concepts

For analytical clarity, this paper defines the following core concepts:

- Gendered cost externalities: Economic costs arising from unpaid care work, informal labour arrangements, health and safety risks, and intergenerational productivity effects that are disproportionately borne by women and systematically excluded from formal cost systems.
- Cost realism: The degree to which cost systems reflect the full economic costs associated with production, labour deployment, and value-chain decisions, including costs shifted outside organisational boundaries.
- Cost stewardship: A strategic orientation toward managing costs with an emphasis on stability, risk mitigation, lifecycle efficiency, and long-term value creation rather than short-term cost minimisation.
- Analytical maturity in SCM: The capacity of cost management frameworks to incorporate complexity, uncertainty, and extended cost horizons into strategic decision-making.

2. From Conventional SCM to Gender-Aware SCM

   Conventional SCM focuses primarily on internal cost control, efficiency metrics, and short-term financial outcomes. Gender-aware SCM extends this framework by recognising how cost optimisation strategies often displace costs onto households, communities, and informal labour networks. By incorporating gendered cost externalities, SCM gains enhanced risk visibility and improved capacity to support sustainable competitive advantage.

Gendered Cost Externalities in the Indian Economic Context

Indian enterprises operate within socio-economic structures marked by labour informality, household-based care economies, and extended supply chains. Within these structures, cost optimisation frequently occurs through cost displacement rather than cost elimination. Health risks, caregiving burdens, and income volatility are transferred from firms to households, where women absorb a disproportionate share of these costs.

Government of India time-use surveys demonstrate that women spend significantly more hours on unpaid domestic and care work than men. From a cost accounting perspective, this unpaid work represents an unrecognised subsidy to formal economic activity. Estimates by international organisations suggest that monetising unpaid household work would account for a substantial share of India's GDP, underscoring the scale of cost invisibility embedded in current accounting frameworks.

Ignoring these costs leads to understated total cost, illusory efficiency gains, and weakened value-chain resilience. Gender-aware SCM therefore functions as a corrective lens, enabling more accurate assessment of long-run cost behaviour.

Women as Cost Stewards: Illustrative Practice-Oriented Evidence

While systematic empirical evidence remains limited, illustrative organisational experiences provide insight into how gender-aware cost practices align with SCM principles. In Indian manufacturing, initiatives to integrate women into operational roles traditionally dominated by men—such as those undertaken by TVS Motor Company—have been associated with improvements in workforce stability, safety, and supplier capability. These outcomes align with SCM logic emphasising disruption avoidance and lifecycle cost control.

Similarly, in the Indian IT services sector, flexible work arrangements and gender-neutral talent policies adopted by firms such as Infosys and TCS illustrate how workforce inclusion strategies can reduce real estate costs, absenteeism, and talent replacement expenses. These examples are presented as conceptual illustrations rather than causal evidence, highlighting how gender-aware practices may support cost stability.

In the banking sector, observations from public sector banks with higher proportions of women branch managers indicate improved cost discipline and reduced operational volatility. While causality cannot be asserted, these patterns are consistent with SCM principles linking stability and risk management to long-run cost efficiency.

Implications for Indian Enterprises

Gender-aware SCM offers distinct implications across enterprise types:

- MSMEs: Improved workforce stability, reduced disruption costs, and enhanced supply-chain reliability.
- Large enterprises: Greater alignment between cost management and ESG-linked disclosures, improving investor confidence.
- Value chains: Enhanced visibility of risk transfers and cost displacement, enabling more resilient sourcing and labour strategies.

Table 1: SCM Outcomes With and Without Gender-Aware Analysis

Dimension	Conventional SCM	Gender-Aware SCM
Cost horizon	Short-term	Lifecycle-based
Risk visibility	Limited	Expanded
Workforce stability	Reactive	Preventive
Cost behaviour	Volatile	Stabilised

Implications for CMA Professionals and Professional Institutions

For CMA professionals, gender-aware SCM expands professional identity from cost controllers to

cost stewards. This transition enhances professional relevance in an economy increasingly concerned with sustainability, resilience, and long-term value creation.

Professional bodies such as the Institute of Cost Accountants of India and the Strategic Cost Management Association can play a critical role by:

- Integrating gender-aware cost analysis into curricula and certification programs
- Developing technical guidance notes on recognising gendered cost externalities
- Promoting case-based learning grounded in Indian enterprise realities

Such initiatives would strengthen both professional credibility and analytical maturity within the discipline. It is a happy development that in SAFA (South Asian Federation of Accountants) a separate section for women studies has started, with the Institute of Cost Accountants of India taking an active role in it.

Conclusion

Women are not peripheral to the evolution of Strategic Cost Management; they are central to its analytical maturity. By recognising gendered cost externalities and strengthening women's role in cost stewardship, SCM can align efficiency with sustainability and resilience. In the Indian context, where informal labour and unpaid care work remain economically significant, gender-aware SCM is not an ideological position but a technical necessity. For enterprises and professional institutions alike, embracing this perspective represents a critical step toward cost realism and long-term value creation. MA

References

1. *Cost and Effect: Using Integrated Cost Systems to Drive Profitability and Performance*
   Kaplan, R. S., & Cooper, R. (1998). Cost and Effect: Using Integrated Cost Systems to Drive Profitability and Performance. Boston: Harvard Business School Press.
   Pages cited: pp. 3–7 (limitations of traditional costing); pp. 23–27 (cost system boundaries); pp. 97–102 (strategic implications of cost visibility).
2. *Competitive Advantage: Creating and Sustaining Superior Performance*
   Porter, M. E. (1985). Competitive Advantage: Creating and Sustaining Superior Performance. New York: Free Press.
   Pages cited: pp. 33–38 (value chain concept); pp. 62–65 (cost drivers); pp. 125–130 (strategic cost positioning).
3. *Institute of Cost Accountants of India. (Various issues).*
   The Management Accountant. New Delhi: ICMAI.
   Sections cited: Editorials and professional notes on Strategic Cost Management and sustainability reporting (general conceptual grounding for Indian CMA practice).
4. *Government of India. Ministry of Statistics and Programme Implementation (MoSPI). (2019).*
   Time Use Survey, India 2019. New Delhi: Government of India.
   Pages cited: pp. 35–42 (gender-disaggregated unpaid work); pp. 57–60 (care and domestic activities).
5. *Organisation for Economic Co-operation and Development. (2018).*
   Including Unpaid Household Activities: An Extended Accounting Framework. Paris: OECD Publishing.
   Pages cited: pp. 11–16 (conceptual framework); pp. 29–34 (monetisation approaches); pp. 41–44 (policy implications).
6. *UN Women. (2019).*
   Recognizing, Reducing and Redistributing Unpaid Care and Domestic Work. New York: United Nations.
   Pages cited: pp. 5–9 (economic significance of unpaid care); pp. 18–22 (gendered cost burdens).
7. *Reserve Bank of India. (2021).*
   Discussion Paper on Governance in Commercial Banks in India. Mumbai: RBI.
   Pages cited: pp. 14–18 (governance and operational stability); pp. 27–30 (risk management and branch-level outcomes).
8. *Reserve Bank of India. (Various years).*
   Annual Report. Mumbai: RBI.
   Sections cited: Chapters on banking supervision, operational efficiency, and human resource practices.
9. *Folbre, N. (2001). The Invisible Heart: Economics and Family Values. New York: New Press.*
   Pages cited: pp. 19–26 (unpaid labour and social reproduction); pp. 63–68 (economic invisibility of care work).
10. *Elson, D. (1998). "The Economic, the Political and the Domestic: Businesses, States and Households in the Organisation of Production." New Political Economy, 3(2), 189–208.*
    Pages cited: pp. 191–195 (cost shifting to households); pp. 200–203 (gendered economic structures).