



Case Study

Gender Inequality in the Workforce: A Human Resource Management Quandary

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Abstract

Over the last 90 years women have battled to become equal with men in all aspects of life and work. Women have made enormous advances in education and career but equality in pay and promotions in the workplace still elude them. It is well documented, widely known and discussed that women earn less. Why is this happening and is inequality as skewed as most think? If there is a “glass ceiling” why is it there and what can women do to navigate around it to become successful top level executives with matching compensation? What can managers do to ensure that women have as many opportunities as men and equal pay? These topics will be discussed and addressed in this paper.

Key words: Gender equality, HR management, glass ceiling, and equal employment.

Introduction

Equality sought by women was something that started in the 1800s. With the passing of the 15th amendment in 1865, African-American men were given the right to vote following the civil war. It would take another 55 years before women would be allowed that same right. The women’s movement known as feminism began in 1848, when the first women’s rights convention was organized. During this time in American history, women had very few rights and limited education, due to not having very many colleges they were allowed attend. They were also considered to be the property of their husband or father. This meant that anything they owned did not actually belong to them. Women fought hard to gain the first step in the journey to equality, which was the right to vote. The signing of the 20th amendment in 1920 gave women the right to vote (Elmuti, Lehman, Harmon, & Lu, 2003). Over the last 93 years women have made great advances toward equality but total equality in pay, executive positions and high

earning positions still elude them. Thus, it is imperative for Human Resource Managers to alleviate this lingering quandary (Kaifi, 2013).

Current Workforce Environment

Today the current makeup of the labor force is 52 percent male and 48 percent female (Jalilvand, 2000). Women are represented almost equally with men in the workforce. When it comes to low and mid level management positions women and men are also represented almost evenly. This is not the case with top management positions and women also make less per dollar than men for the same positions and responsibilities.

Glass Ceiling Commission

Not only do women on average earn less they also have seemed to hit a so called “Glass Ceiling.” in trying to obtain top level positions. The *Wall Street Journal* made this a popular phrase in the 1980s. It is defined as a transparent ceiling that hinders women and minorities to reach upper level management levels in the workforce. This term led to the government enacting the Glass Ceiling Act, which created the Glass Ceiling Commission. Their assignment was to conduct studies and come to some conclusions and recommendations on “eliminating artificial barriers to the advancement of women and minorities” to “management and decision making positions in business” (Federal Glass Ceiling Commission, 1995, p. 5). After a few years of investigation, evaluation, and analysis the commission issued a report in 1995. The report cited that a “Glass Ceiling” was indeed prevalent and a serious shortcoming in the workplace. They found that “97% of the senior managers of Fortune 1000 industrial and Fortune 500 companies are white; 95 to 97% are male. In Fortune 2000 industrial and service companies, 5% of senior managers are women—and of that 5%, virtually all are white” (Federal Glass Ceiling Commission, 1995). In addition, the study found that one of the reasons women are not achieving high levels is due to the fields they worked in. Usually the people promoted to the highest levels deal with some aspect of overseeing profits and losses for the company or bring revenue into the organization. The pool of management typically comes from management in the areas of finance, sales, or production. Managers in those key areas reach the high level positions, where as women manage areas such as human resources and administration, which do not follow a path to the top positions within an organization (Federal Glass Ceiling Commission, 1995, p. 6).

Possible Reasons Why Women Earn Less

There are many reasons why women earn less than men. One is attributed to the education and work environment women seek. Women often look for jobs that have normal hours, good working conditions, and safety. Men without a college education enter occupations such as fire fighting, truck driving, and construction which are highly male occupations but also highly dangerous. Women without a college education enter female occupations such as being a secretary, cashier, and child caretaker. The men in essence earn more due to the hazardous nature of the work environment, “of the deaths that occur in the workplace, 92% occur to men” (Farrell, 2005 p. 29).

We also see a disparity in the areas of education women and men pursue as well as the education level. Women tend to choose their field of study in the arts and social sciences more

than men. Women also pursue their area of interest over an area that will lead to a stable high paying career. For example, women earned 71 percent of the doctorates in psychology, 52 percent in the life sciences but only 18 percent in engineering (Jancsurak, 2008).

One reason women earn less and do not get what they want is because women are raised to believe that nice girls don't ask. Women often earn less and do not get what they want for the simple reason of not speaking up or negotiating. According to Linda Babcock and Sara Laschever, they state about women "their perception that their circumstances are more fixed and less negotiable than they really are. This highlights the assumption made by many woman that someone or something else is in control" (Babcock & Laschever, 2003, p. 12). Babcock conducted a survey study, where respondents rated each question on a seven point scale on the degree to which they either agreed or disagreed with each statement. Respondents' answered questions such as "there are many things available to people, if only people ask for them." The results are aligned with what could be expected. Women were 45% more likely to score lower than men on the scale. Thus showing how men know the importance of asking for what they want. Overall men just ask for what they want with greater frequency than women (Babcock & Laschever, 2003, p. 20).

Male and Female Differences

To further examine how men and women differ and put that into relation to why men typically earn more, we can look at the locus of control research that has been done. This research measures the extent to which individuals believe that their behavior influences their circumstances. The results again coincide with a plausible reason women earn less. The scores of the women are significantly higher on locus of control scales than those for men. To interpret what this means in the real world, women are more likely to believe that their circumstances are controlled by others (Babcock & Laschever, 2003, p. 23).

In many ways the lives of women have and continue to be controlled by others. Little girls are often raised differently than little boys. Little girls are protected and watched over more than boys. Even the types of chores done differ with gender. Girls do indoor activities such as cleaning and cooking and boys do outside chores such as yard work and construction. Girls are taught to wait for a boy to call, to wait to be asked on a date, to dance, and to get married. In addition, women lose their name after marriage. For much of the 1900s women were in many ways at the hands of men. The father was in control of the daughter until she was married, at which time the control was transferred to the husband. Some of this has changed but much of it has not and explains some of the gender pay gap. Women have been raised to wait for someone else and not to directly ask for anything.

"Men are thought to be assertive, dominate, decisive, ambitious, and self oriented, whereas women are thought to be warm, passive, nurturing, emotional, and friendly. These are gender stereotypes" (Babcock & Laschever, 2003, p. 62). The difference in gender characteristics can be explained in part from biological factors. Women had the ability to have children and were physically weaker than men due to their smaller bodies, which lead to working in the home. Men on the other hand were larger and more capable to build, hunt, and protect their families. Women were viewed as the weaker sex. This continued for hundreds if not thousands of years and as science and technology eased the pressure of gender roles, we as a culture have them ingrained in our society.

This can be seen today with the different jobs and degrees men and women seek and pursue. "As recently as 2001, 98 percent of child care workers, 82 percent of elementary school

teachers, 91 percent of nurses, 99 percent of secretaries, and 70 percent of social workers in the United States were women. In the same year 87.5 percent of the corporate officers of the 500 largest companies, 90 percent of all engineers, 98 percent of all construction workers, and 70 percent of all financial managers were men.” We have carried over our biological roles into our current culture and society. The traditional women roles have a tendency to pay less than the traditional male roles, which leads to women earning less (Babcock & Laschever, 2003, p. 65).

As discussed in this paper women earn less than men for a myriad of reasons. The primary is due to women taking time off after having a child and being the primary caretaker of the children and home. This leads to lapses in employment. Often when they reenter the workplace they are essentially starting over. Furthermore, women on average retire earlier than men. This points out that not only do women have less continuity in the workforce they also have less years in the workforce compared to their male counterparts and helps explain why they earn less than men (Gayle, Golan, & Miller, 2008).

It can also be pointed out that women work more part time positions than men. The Bureau of Labor Statistics for 2007 shows that 59.3 percent of all women and 73.2 percent of all men were in the labor force. 75 percent of employed women worked full time and 24 percent worked part time. 89.5 percent of employed men worked full time and 10.5 percent worked part time. Women also were two-thirds of all part time workers. It can be concluded that all of this has an impact on women earning less compared to men. It is also interesting to point out that according to the Bureau, women in their forties who are not in the labor force mostly are taking care of the family at 58% giving that as their reason for non participation in the workplace and 29 percent stating retirement (United States Department of Labor, 2007).

Men get promoted quicker than women because they are more willing to relocate and it is more acceptable to move the family for the husband’s job. Men also have the ability to work longer hours since the wife takes on the primary caretaking of the children and home. The man’s contribution to the family is more often than not a financial contribution. Men have it easier when it comes to the work life balance. Men have a wife but women do not. The Department of Labor conducted and recently released the finding of a survey. The findings showed “that the average working women spends almost twice as much time as a working man on household chores and care of the children and that 78% of women and 85% of men are in the workplace. Men and women are equally likely to work on the weekends and take work home in the evenings” (Skoloda, 2005). When it comes to men and women in high level executive positions the majority of men are married with children but on the other side over half of the women are single and do not have any children (Elmuti, Lehman, Harmon, & Lu, 2003).

Many believe that “the man”, corporate America, and the “glass ceiling” are holding women back from earning equal pay and advancements. There is much research that shows this is not entirely true and a flawed view. We can simply look at self employed individuals, who in essence work for themselves and are the boss, which takes away the influence of “the man”, corporate America, and the “glass ceiling. It is interesting to point out that the pay gap between self employed men versus women is actually larger than it is among non self employed men and women. Fasci and Valdez conducted a study on the differences among female owned accounting practices in relation to male owned accounting practices. “They found that male-owned accounting practices generated average annual gross revenues of \$156,579 contrasted to an average of \$80,152 for female-owned accounting practices.” More shocking is not only do the men earn more, their firms were more profitable overall. Another study examined male and females and the income differences in their veterinary practices. Their findings are also in alignment with the accounting firms, on average regardless of how long they had been

practicing, the females earned 30% less than the males (Mueller, 2007). Examples of professionals that require the same amount of education, licenses, and credentials are being used to maintain all things as equal.

Why is this occurring? In situations where women in essence have all the decision making authority in running their business, they continue to be out earned by men. You take out the outside forces that could hold females back in business and they start working for themselves, but yet still earn significantly less than men. How can this be explained?

Research into male and female entrepreneurs can help explain. The income earning gap starts at the very beginning of the decision to become self employed. Males are motivated with the pursuit to wealth and higher income that can be achieved thru self employment. In contrast females are motivated to open their own business in an effort to provide more flexibility and a better work and life balance for themselves. In addition, the research points out that females are motivated by family caretaking and household needs more so than the self employed men. In a typical situation, the primary monetary earner is the male and the female is the secondary earner. This leads to women utilizing self employment part time with the family being the first priority.

We can also attribute the management style of men and women to the income earning gap. Those who have studied this point out that men manage in a masculine style, whereas women manage with a feminine style. The feminine style of management gives more priority during decision making with the effect the decision will have on others.

Feminine Style of Management

The feminine style of management also uses a feeling approach when making decisions. This means the feeling types “prefers making decisions based on subjective values, allowing emotion, sympathy, and the desire for harmony to enter in the equation” (Mueller, 2007). The masculine style of management uses a thinking approach when making decisions. The thinking approach “prefers logic, objective values, principles, laws, and standards in making a decision” (Mueller, 2007). Research shows that more men prefer the masculine thinking approach, whereas more women prefer the feminine approach of feeling when making decisions. Self employed people who use the feminine approach earn less because often emotion can come into play when making a decision, which leads to making an empathetic decision usually not in the favor of increased profits and the bottom line. This leads to the conclusion that “self-employed professionals who are highly empathetic in their dealing with clients will achieve a lower level of income than self employed professionals who are less empathetic” (Mueller, 2007).

Now that many reasons have been brought about in this paper in relation to why often times men earn more than women and on average obtain 97% of the key executive positions such as CEO, let us discuss what women can do. Knowledge is power, and knowing why men earn more will enable women to play in the same sand box if they choose to do so. Women can start to get what they want now by simply realizing that the world is not fair. Just because someone works hard and plays by the rules does not mean the superiors will notice and offer them a fast track to the top position. Women need to speak up and start asking. Throw out the stereotypical mindset that nice girls don't ask. People who get what they want ask for it.

Human Resource Management (HRM)

As of 1963, the Equal Pay Act requires employers to pay similar wages to employees who perform the same tasks without regard to gender. Although some employees do earn more

than others because of performance, seniority, and/or work conditions; in most cases there needs to be pay equity. As a case in point, a professor at Eastern Michigan University settled a law suit in 2000 based upon the Equal Pay Act. She argued that the male professors were paid higher salaries even though she had a higher rank, seniority, and more students than her male counterparts. The court ruled in her favor. As such, it is imperative for employers to consider the consequences of low-balling and mistreating female employees in the workforce.

HRM Implications

Women are raised to think everyone is fair and will offer what is fair. Education is key to having the ability to earn more for women. It is not only about education but what subject matters women choose to learn. To demonstrate, a librarian with a doctorate in literature earns less than a construction manager. Women need to get degrees in areas that are income producing such as engineering, IT, business, finance, accounting, sciences, and math. Although it might be interesting to study the areas in liberal arts and humanities, it is often hard to find a career path that leads to a high income producing career.

Women should know what they want and be honest with themselves. Do they want to run the company in under 20 years of working or would they like to take a few years off to have children and raise them and be the primary caretaker. Is the woman willing to relocate the family for a promotion, and work extra hours while someone else picks up the kids after school and cooks dinner? Does the woman want to take on the role of primary earner and do everything it takes to assume that position? It is about choices and tradeoffs and that is the main issue. Women cannot expect to take a few years off to have children and then come back to earning the same as a man doing the same position who has an additional five years on the job.

Managing women has implications and a good manager should know that managing a woman is different than managing a man. Many times a manager does not know that a female was unhappy with the job or workload until they turn in their resignation. At that point it is too late for any action to be taken. Managers need to acknowledge that women will not speak up as much as men when they are feeling overwhelmed or unhappy with a working situation. Managers need to be aware of this and become more proactive in making sure that the females are happy with the work environment and job. This will lead to retaining more women leading to a lower turnover.

The feminine style of management is also an asset to a company. Women feel strongly in collaboration and having input from the entire team. This should not be viewed as someone who is weak or indecisive by management. This style of management leads to more creativity and stronger teams. Women are also more concerned with the wellbeing of others compared to men. Women as managers are more approachable; do not mind questions, organized, and nurturing. These are all characteristics that make a good manager and leader and should not be overlooked.

The main issue for organizations and managers is how to retain women after they decide to have a family. That is a personal decision between the families. However, organizations can become more family friendly. Many things could be done to keep women in corporate America. Organizations can offer flex time, satellite positions working from home and on premise child care services. All of this could lead to retaining more women with families.

HRM Recommendations

There are at least three different explanations for why women are treated as second-class citizens in the workforce. The first reason is that women are not as competitive as men. Thus, women need to become more competitive in the workforce. Beckman and Menkhoff (2008) explain that women are more risk averse, tend to be less confident, and are not as competitive (p. 379). The second explanation is that women do not negotiate as well as men. Babcock (2008) explains that men are more aggressive when negotiating resources, training, and other significant factors (p. 1). Thus, women need to develop their negotiating skills. The final explanation is that women lack self-confidence in the workforce. Thus, women need to develop their self-confidence. The aforementioned skills that are needed can be developed by majoring in Business Administration because the curricula in most business programs teach the value of competitiveness, the art of negotiation, and the importance of self-confidence when conducting business.

Conclusion

In conclusion, more women than ever are in the workplace. Women have made enormous advancements in education and professionally especially over the last 20 years. This has begun to change the workplace for the better. We also have more women owned businesses than ever before. Our society still has some long standing views of women as the lesser sex and their place being in the home but that is on its way to being debunked. Corporations need to recognize the differences in males and females and use it to the betterment of the organization. Women also need to understand the differences and continue working to equality in pay and benefits, while realizing the reasons males often earn more.

HRM Discussion Questions

1. *Do you think there will ever be equal employment in the workforce?*
2. *Do you think there is a correlation between how women are treated in society and how women are treated in the workforce?*
3. *What recommendations do you have for women in the workforce?*
4. *Do you think there will be a new glass ceiling in the future? If so, who will it impact?*
5. *What can employers do to help women in the workforce?*
6. *Do you support affirmative action? Explain why.*
7. *How is the Title VII of the 1964 Civil Rights Act different from the Civil Rights Act of 1991?*
8. *Do you think that some women are not hired for upper level management positions because a female may become pregnant and may take a significant amount of time off which may hurt the organization? Do you agree with this notion?*
9. *What other law suits can you think of regarding unequal pay and benefits for women?*
10. *Should hiring be based exclusively on merit? Justify your thoughts.*

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