Gender Discrimination in the Workplace and Ways to Reduce Wage Gap

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Abstract: Gender discrimination continues to persist in the workplace today, as evidenced by the 2021 median weekly earning of U.S. women amounting to 83.14% of men's wages. This paper proposes and analyzes three strategies to address the gender bias and mitigate the wage gap in sexes: pay transparency, unconscious bias training, and fair salary determinants. Pay transparency can effectively highlight wage disparities and indirectly avoid wage gaps, but it does not directly offer a solution. Unconscious bias trainings are capable of raising awareness, though it may unintentionally reinforce certain stereotypes or provoke defensiveness. While pay transparency and unconscious bias trainings can establish short-term benefits, their limitations undermine their efficacy in the long term. Initializing fair salary determinants, the most sustainable solution, will be able to mitigate biases by evaluate employees based on objective criteria, including skill, effort, and responsibility, as suggested in the Equal Pay Act. By emphasizing the objectiveness in the workplace, impartial evaluations and transparent policies will form a fair work environment, especially for female workers to gain equal opportunities and fair compensation. Hence, this paper advocates for a most effective and plausible approach in establishing fair compensation and reduces workplace disparities.

Keywords: Gender Discrimination, Workplace Equity, Wage Gap, Employee Compensation

1. Introduction

According to Bureau of Labor Statistics, in 2021, the American women's total median weekly earnings is only 83.14% of the men's total median weekly earnings [1]. In the United States today, women are facing numerous difficulties in workplace, such as receiving employment, limited leadership opportunities, gender-based harassment, and most importantly, unequal pay. Moral courage is the courage to stand up for morality, regardless of the risk and consequences. However, the authors of the article "Moral Courage and Intelligent Disobedience," Ted Thomas and Ira Chaleff, quoted William Miller from his book The Mystery of Courage, stated that having moral courage "risks being isolated and singled out for painful personal consequences such as ridicule rejection and loss of job and social standing" [2]. Because most women already have a lower social standing compared to men, so it is more challenging for women to risk their job to speak against unequal pay and other inequalities. Therefore, this essay explains three ways that help reduce the gender bias against women in the workplace and allow women to have equal rights and dominance: conducting pay transparency, managing unconscious bias training, and establishing equal salary determinants.

2.   Bias in the workplace

In the workplace, women face a lot of bias, both conscious and unconscious bias. Conscious bias is bias individuals hold when they are aware of and act with intent. On the other hand, unconscious bias is discrimination and stereotypes that individuals hold without intent and is based on gender, race, ethnicity, etc. Comparing the two, unconscious bias is more significant as it is the thoughts inside people's mindsets unintentionally. The Academy of Management Learning & Education (AMLE), a professional association for management and organization of global scholars, published an article "Taking Gender Into Account: Theory and Design for Women's Leadership Development Programs" stating that comparing with their male counterparts, senior women leaders "had less social support," "receive less latitude for making mistakes," and "leaves with fewer role models" that can encourage future women leaders [3]. Because of the differentiation in gender, senior women leaders will encounter unconscious bias by receiving high standards and judgements compared to their male counterparts, which will eventually cause fewer women to have the opportunity to stay as a leader. This can also be seen from the Pew Research Center's report that in 2013, there are only one-sixth, about 17%, of the CEOs in Fortune 500 Companies are women [4]. With a scarcity in number of women leaders in a work environment, women in workplace as a general does not have much power. This discourages many females in standing against the unjust bias. Adding on to these statistics, in the article "Moral Courage and Intelligent Disobedience," the authors Ted Thomas and Ira Chaleff stated that "It is the responsibility of leadership to find and encourage people who are willing to take action and disobey when needed" [2]. While leadership is essential in having the moral courage to speak against the injustice, women lacked leadership due to all the bias in the workplace. The conscious and unconscious bias faced had caused women to have much less power in the workplace compared to men, which discourages them to have moral courage. Thus, the power imbalance between male and female strongly discourages women to stand against the bias in the workplace.

3.   Solutions

There are mainly three aspects to minimize gender bias in the workplace. Pay transparency refers to sharing compensation information openly to its employees in a company or an organization, such as individual salaries, salary ranges, factors influencing salary, and even the right for employees to discuss their wages. Unconscious bias is the discrimination that are implicit and unintentional, which are mostly caused and influenced by the surrounding society. The presence of unconscious bias in workplace will cause the opportunities within employees to be differentiated. The third aspect of gender bias in workplace is the wage determinants. Wage determinants are the most direct factor that creates the wage gaps between genders. Therefore, establishing fair salary determinants can lessen the bias in evaluating employees and the wage gap.

3.1.   Pay transparency

One way to increase the pay transparency is by allowing the workers in the same organization to have access to their coworker's salary information. According to the article "Is Pay Transparency Good?", the author, Zoë Cullen, an assistant professor at the Harvard Business School, research 27 countries that attempts to decrease gender wage gaps, in which 24 of them, including United States, applies horizontal pay transparency that "reveals pay gaps between coworkers" [5]. This indicates that horizontal pay transparency theoretically helps minimize the gender wage gap. By revealing the pay gaps between coworkers, female workers are able to access other people's salary information and are able to identify gender-based unequal pay in the company, if there is. Thus, female workers will have sufficient evidence to have the moral courage to confront the company. Furthermore, if pay transparency is added into the law, women can fight against the injustice in gender discrimination.

Other than creating fairness and equity between coworkers, pay transparency can also allow employees to publicly discuss about their salaries. According to a study reported by Institute for Women's Policy Research (IWPR), for public sector workers, 70% of them say that wage and salary information is public, while only 17% of the private sector workers say the same. However, IWPR also reported that in 2016, the gender wage ratio for public sector workers was 81.4%, while private sector workers had a lower ratio of 79.3% [6]. The lower percentage ratio of private sector workers indicates that allowing workers to discuss about their salaries will indirectly reduce gender wage gap. This may allow employees to compare their compensations and recognize the disparities in wages between genders, which will encourage the workers to address this inequality. Thus, female workers are able to use the accessible information as evidence to stand up against unfair compensation.

However, knowing the consequences of pay transparency is also essential to an organization. According to Leon Lam and team from Harvard Business Review, they have found that although pay transparency may create a fair environment and fair pay for everyone by reducing the wage gap between workers in the same job ranks, but many companies are achieving that by compressing compensation [7]. Within the same job levels, workers with higher salaries are compressed to have similar pay as others, therefore reducing pay inequity. Corroborating with Lam and team, Alexandre Mas, Professor of Economics and Public Affairs at Princeton University, reported that when the California government made municipal salaries public in 2010, the pay transparency "led to approximately 7 percent average compensation declines…" [8]. Due to the publication of the municipal salaries, there were wage cuts in mainly senior levels, indicating there was compressing in compensation due to pay transparency. This may lead to discouragement in the employees such as leaving the job or lowering in their job performance. Adding on to his previous statistics, Mas also found that there was a 75% increase in the quit rate after the publication of municipal salaries [8]. This suggests the discouragement to employees after making pay transparent. Therefore, pay transparency can cause compression in compensation and leads to discouragement in employee performances.

3.2. Unconscious bias

In the workplaces, in fact everywhere, although people thought they do not have gender bias, but there is unconscious bias obtained inside their mindsets. For instance, Madeline E. Heilman, Professor of Psychology at New York University, stated that gender stereotypes describe women as sensitive and submissive, while men are possessive and independent, therefore people did not consider women would be prominent leaders. Even if a woman was as competent as men, people perceived that it "does not ensure that a woman will advance to the same organizational level as an equivalently performing man" [9]. To reduce the implicit bias, companies and organizations can conduct unconscious bias trainings to its employees. Unconscious bias trainings aim to raise awareness of the implicit bias and unconscious discrimination people have based on race and gender, which attempts to reduce bias in the workplace and increase women's opportunities in leadership. According to a study done by the Stanford University School of Medicine, after a standardized, 20-minute educational session on unconscious bias, the results indicate that the faculty members were more aware and decreased their implicit actions in the workplace [10]. The educational sessions can raise awareness to make the employees focus on their behaviors to reduce their implicit bias. With more efforts from the employees, there will be a decrease in the implicit bias and behaviors in the workplace, at least in the short run [11]. Thus, more women will have opportunities to attain leadership in the organization, equally as men.

However, this strategy also has some limitations. In some organizations, the unconscious bias trainings may be overwhelming to employees. They might concentrate on their behaviors and limit themselves too much that it distracts them from work. Thus, the unconscious bias trainings will lose

its significance in reducing gender bias and might even cause a negative effect in increasing bias. For example, according to Shelley J. Correll, a professor of sociology and organizational behavior at Stanford University, found that the unconscious bias trainings can actually "make people, especially white men, defensive and undermine their diversity efforts." Furthermore, Correll also noticed that when the message "everyone is biased" is emphasized in the training, there is an increase in bias towards old adults, women, overweighted individuals, and other groups of people that often receive bias [11]. Correll's findings imply that unconscious bias trainings will make people feel that they are unfairly questioned, resulting a negative effect in reducing bias. Despite unconscious bias trainings can raise awareness on gender biases in the workplace, it may also stress people with unnecessary messages that cause people to have limited actions and unfair judgements.

3.3. Fair salary determinants

To reduce gender bias in the workplace and attain equal pay, the best way is to ensure that the criterion and standards that determines one's salary is equal. This is called salary determinants. As the United States Code stated in the Equal Pay Act (Title 29 Section 206d), the employer should not have any discrimination based on the gender of the employee, and should provide equal pay to different gender employees, determined by the same criteria of job performance, including skill, effort, and responsibility, within similar working conditions [12]. Based on this law, all individuals are evaluated by their job performance, and there is no gender discrimination in pay rates, which will therefore reduce the gender wage gap. This can be seen from the U.S. Bureau of Labor Statistics, which displays that in 1979, women's annual average earnings were only 62.3% of men's, while in 2020, it increased to 82.3% [1]. As the main factor, fair salary determinants will facilitate the reduction in wage gap between genders. Furthermore, with the equal factors that decides one's wage, the workplace will be an environment of fairness and equity. Subsequently, women will have the same power and rights as men that allows them to have the courage to take opportunities in leadership roles and stand up against other unfairness.

Moreover, the fair salary determinants benefit pregnant women and mothers especially. According to Lena Burleson and team, one-third of the working women are mothers, which includes pregnant mothers [13]. People often have the bias that the mothers should be the staying at home to take care of children, or that pregnant women cannot work well. Jane A. Halpert, a Psychology, Industrial and Organizational Psychology professor in DePaul University, and her team, quoted S. M. Bistline that one female executive said, "I found that once I had my child, my boss didn't think I was working as hard. In his eyes, my rating went from 'superb' when I first started, to 'terrible' after the baby arrive" [14]. Pregnant women and mothers often experience biases in the workplace. However, to best minimize and reduce this bias is by establishing equal salary determinants. Without the judgements of their pregnancy and motherhood, working mothers will receive pay only based on their job productivity, giving mothers more equity in the workplace. Hence, it is significant to establish fair and objective determinants for pay rate to provide equal pay, providing equal pay and eliminating gender discrimination.

4. Conclusion

Although the wage gap between men and women is decreasing, women's earnings in the United States are still less than men's earning on average. To further minimize the wage gap, pay transparency reveals certain salary information among the employees, allowing people to identify the inequality and speak against the unfairness. In addition, unconscious bias training will educate and spread awareness on the unconscious bias towards women, letting employees to take efforts to reduce the implicit bias in the workplace, creating an equal environment. Likewise, establishing equal salary

determinants only on job productivity will offer females to have equal opportunities in the workplace, such as leadership positions and equal dominance. The most effective way of the three is to have fair criteria and determinants for the pay rate. Thus, all employees will be judged equally on their job performances only, and their salaries are not impacted by their gender, race, family, or any other conditions. Overall, all individuals in the United States should be evaluated only on their job capability in the workplace.

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