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## **Impact of Pay Disparity in Workplace According to Gender**

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### **ABSTRACT**

This research paper explores the issue of gender discrimination in workforce and its impact on the satisfaction and motivation, commitment and enthusiasm and stress level of employees. The workplace has sometimes been referred to as an inhospitable place for women due to the multiple forms of gender inequalities present. Gender inequality in organizations is a complex phenomenon that can be seen in organizational structures, processes, and practices. For women, some of the most harmful gender inequalities are enacted within human resources practices. This is because HR practices (i.e., policies, decision-making, and their enactment) affect the hiring, training, pay, and promotion of women.

Within this paper, I delineate the nature of discrimination within HR policies, decisions, and their enactment, as well as explore the causes of such discrimination in the workplace.

Close ended questionnaire was administered from 200 males and females of lower, middle and higher category employees of public and private health and education departments.

**Keywords:** Gender discrimination, Workforce, Satisfaction & Motivation, Commitment & Enthusiasm, HR responsibility.

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### **Introduction**

Our society has a pervasive belief that males are the key decision-makers in the corporate sector. They are the CEOs, CFOs, and decision-makers in society. This may have been the case fifty years ago, but a new and fascinating trend is now emerging. In the corporate sector, women are achieving remarkable success, and the gender gap is starting to close. While the number of women working and their educational attainment are rising, there are certain significant barriers that women face more than men. The vast salary gap and general gender inequality that have emerged in the workplace in the contemporary period are caused by a number of reasons, including these. This problem needs to be addressed because new research has shown that women in leadership roles bring higher profitability, new and effective leadership styles, and many other benefits to a company.

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### **Research methodology**

- Primary study is conducted through personal interview, observation
- Secondary study is done through journals, articles, internet

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### **Causes of the Gender Pay Gap**

#### *Direct discrimination based on sexual orientation*

Despite only explaining a small portion of the gender wage gap, occupational segregation is a direct and unavoidable cause. Women often make less money than males since their salaries are generally lower.

#### *Undervaluation of skills while doing comparable jobs*

Pay ranges for jobs that women can perform in greater numbers than males but that are of similar value are often lower.

For instance, women who work as chefs, caregivers, or cleaners sometimes receive lower pay than males who perform tasks of a same level, such as collectors, street cleaners, and road workers.

***Assumptions that commitment suffers***

Women may occasionally be thought to be less devoted. Organizations criticise their dedication to their jobs due to their status as spouses or moms. As a result, if they are employed, females are given low starting pay and receive promotions less frequently than men.

***Society considers jobs to be gendered***

Men and women continue to favour distinct employment kinds, and each one is seen differently. For instance, primary school teaching is still viewed as a female-dominated profession.

Companies must make major financial sacrifices in other ways as a result of not taking equal pay into account. The list below discusses a few of them.

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**Institutional Discrimination in HR Policy**

Institutional discrimination is the phrase used to describe human resource practises that are fundamentally prejudiced against a certain set of persons, regardless of their performance or expertise in relation to their jobs. The hiring and selection of an employee into an organisation, his or her position assignments, training, salary, performance evaluations, promotion, and termination are all examples of institutional discrimination against women. Women are discriminated against systematically, if maybe unintentionally, if certain educational requirements or prior work experience are necessary to be considered for a position and women are underrepresented in that job type or educational programme. Another instance of gender discrimination is when a test different than the ones used to evaluate work performance is included in the selection battery and results show higher gender disparities than those seen in job performance evaluations (Hough et al., 2001). Institutional discrimination may therefore be seen in numerous HR selection policies and have a detrimental impact on women's employment prospects.

The performance reviews that organisations employ to decide on incentives (like remuneration), opportunities (like promotions, role assignments), and penalties (like termination) also exhibit institutional discrimination against women (e.g., termination). If corporate decision-makers utilise job performance evaluation criteria that routinely favour males over women, gender discrimination may be institutionalised into HR policy. As an illustration, "face time" is a crucial performance indicator that favours workers who are present at work over those who are not. Women utilise flexible work arrangements more frequently than males due to the fact that they are still the major carers (Fuegen et al., 2004), but as a result, they suffer professional repercussions since they perform worse on the face time scale (Glass, 2004). Thus, prejudice against women may be facilitated by unfair performance evaluation standards.

Another issue is the promotion and opportunity-related policies in the human resources department. Women are less likely to progress in businesses that utilise more formal employment ladders to determine and limit employees' prospects for promotion (Perry et al., 1994). This happens because gender-specific work ladders are more common, and as a result, the gender job segregation that is already present at entry-level positions will become more pronounced as employees ascend up their particular ladder without having the chance to advance along alternative paths. As a result, women won't have the exact job experiences required for promotion that are available inside their particular job ladders (De Pater et al., 2010).

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**Personal Discrimination in HR-Related Decision-Making**

Organizational decision-makers evaluate the worthiness, competence, and potential of others as part of the process of making decisions relating to human resources. As a result, human resources-related decisions are susceptible to personal biases, just like all other types of social cognition. Because they affect women's salary and employment possibilities, HR-related decisions are crucial (e.g., promotions, training opportunities). Every stage of organisational decision-making involving HR, including recruiting and selection, position assignments, training opportunities, remuneration, performance assessment, promotion, and termination, has the potential to result in personal discrimination against women.

Women experience personal prejudice throughout the selection process, according to studies employing various approaches. In comparison to matching male candidates, meta-analyses show that female candidates receive more unfavourable evaluations and are less frequently recommended for employment when applying for male-typed (i.e., male-dominated, believed- to-be-for-men) positions. For instance, in audit studies, where submitting seemingly legitimate applications for job postings but changing the applicant's gender is used, female candidates are less likely than male applicants to be called back for an interview.

An undergraduate scientific student was evaluated by male and female biology, chemistry, and physics instructors for a post as a laboratory manager in recent research (Moss-Racusin et al., 2012). In comparison to the female candidate, the male applicant received higher ratings for competence and employability, a higher beginning pay (about \$4000), and more career mentorship. In conclusion, women are at a substantial disadvantage when applying for positions that are more suited to men.

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**The Effect of Organizational Structures, Processes, and Practices on HR Practices**

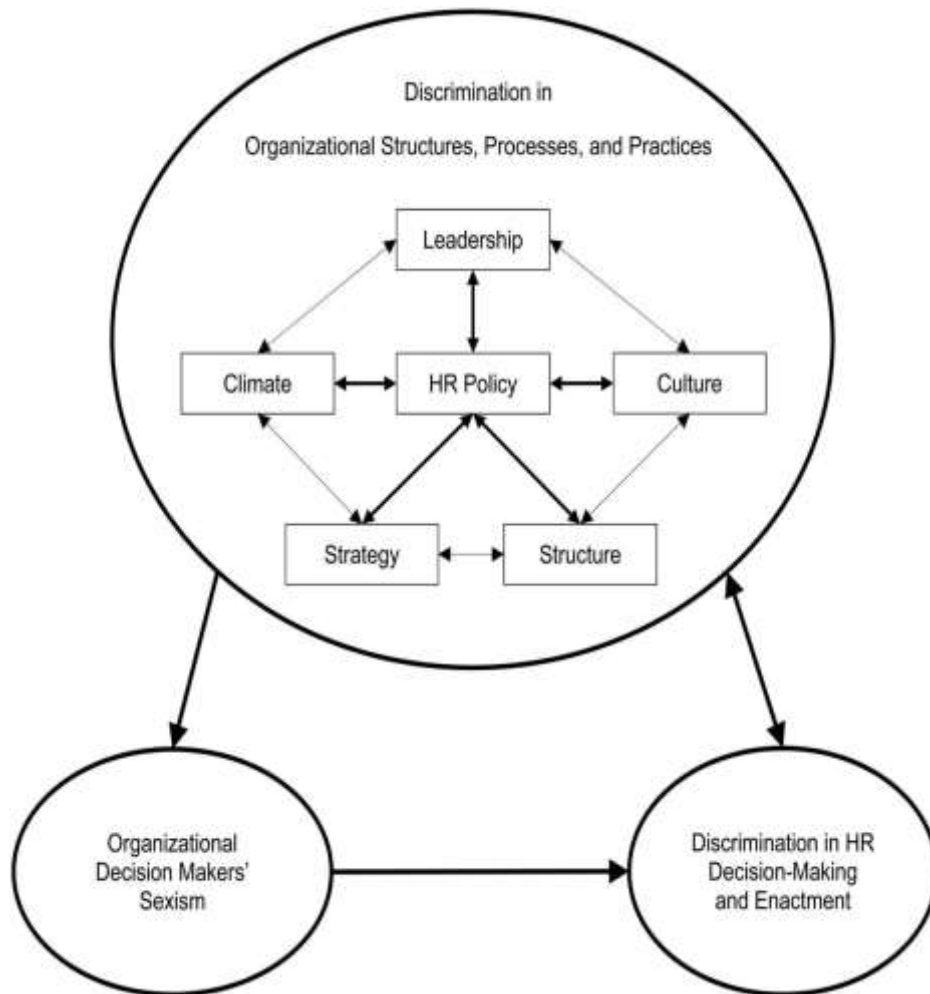
Leadership is the first contextual element through which gender disparities may become entrenched. Leadership is the process through which a person (such as CEOs or managers) exerts influence over others in an effort to accomplish organisational goals (House and Aditya, 1997). Leaders decide what the organization's priorities are and let everyone know about them. Leaders are crucial because their actions have an impact on other organisational practises, procedures, and structures. Leaders specifically create culture, policy, and strategy and serve as socialisation role models. We contend that

when women are underrepresented in leadership positions relative to males, especially when women are overrepresented at lower levels within an organisation, institutional gender disparity in leadership occurs. Because the gender of organisational leaders influences the level of gender discrimination, gender supporting policies, and a gender diversity favourable atmosphere inside an organisation, an underrepresentation of women in leadership can be readily sustained (Ostroff et al., 2012).

Members of the organisation are more likely to believe that the environment for women is favourable when women have important roles inside the company (Konrad et al., 2010). Particularly, having women in important roles serves as a strong indication that the business promotes gender diversity. In line with this, there is a larger gender salary difference in professions with fewer female high-status managers (Cohen and Huffman, 2007). In addition, women who report to a male supervisor feel that the company supports them less than those who report to a female supervisor (Konrad et al., 2010). In addition, compared to their peers in departments led by women, women who work in departments with male heads report greater instances of gender discrimination (Konrad et al., 2010). A similar-to-me bias, which occurs when leaders create structures that favour and advance people who are similar to them, may help to moderate some of these impacts. Similar-to-me prejudice can result in discrimination against women when leaders are disproportionately male (Davison and Burke, 2000; Roth et al., 2012). Women's experiences in the workplace and their propensity to face discrimination are thus impacted by gender disparities in leadership.

Organizational structure should be taken into account as the second contextual aspect. An organization's formal structure, which includes staff hierarchies, departments, and other components, describes how the organisation is set up (Grant, 2010). The formal organisational structure of an organization's employment ladders, which are often gender-segregated, is one example of institutional discrimination (Perry et al., 1994). Such gender-specific employment ladders are frequently seen in many organisational departments. According to McDonald et al. (2009), women who are part of gender-segregated networks inside businesses had less access to employment information, lower status, and slower upward mobility.

This is most likely a result of women's lower visibility and lack of access to influential people in gender-segregated networks. Because there aren't enough women in senior roles in gender-segregated networks, it might be challenging for women to locate female mentors (Linehan and Scullion, 2008). Consequently, gender disparities that lower women's chances of achieving top positions in a company may be present in the organisational structure.



### ***How to Reduce Gender Discrimination in Organizations***

The approach we provide to comprehend gender bias in HR procedures is intricate. We think that in order to truly depict the reality of organisational life, such complexity is required. The model shows how several causes of gender disparity are connected and have an interactive impact. Inferredly, eliminating gender discrimination in the workplace is not a straightforward or easy task. Instead, there must be several approaches to this difficult issue. In reality, as highlighted by Gelfand et al. (2007), such change initiatives will be ineffectual owing to confused messages if an organisation only strives to rectify prejudice in one component of organisational structure, process, or practise and not others. So, in the sections that follow, we discuss how organisations can lessen gender discrimination by concentrating on (a) HR policies (such as diversity initiatives and family-friendly policies) and closely related organisational structures, processes, and practises; (b) HR-related decision-making and enactment; and (c) the organisational decision-makers who engage in such actions.

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#### **How HR can close the Gender Pay Gap:**

##### ***Review your employee annual earnings***

It makes the most sense to start there. If you utilise HR software that enables you to split pay by a number of characteristics, including gender, it ought to be simple for you. Determine the pay range and the trend.

Raise the pay of any female employee who is being paid less than a comparable male coworker doing the same job right now.

You are required to consider factors other than pay while reviewing, such as the perks, bonuses, and overtime paid to each employee.

##### ***Balance the men-women earning opportunities***

In most organisations, men predominate in the highest ranks. Imagine there aren't as many women in leadership positions inside your company. The time has come to implement a dynamic promotion mechanism in that instance. You need to assess how many men and women are represented at each level of your organisation.

Achieving gender equality at management and executive levels may take several years. Setting guidelines, quotas, or deadlines can aid in advancing women into leadership roles.

##### ***Look at your hiring process***

You should avoid using her past salary to determine what you can offer. If you recruit a female employee based on her previous wage, the new hire can end up with unfair pay. And this inequality might follow her throughout her career.

##### ***Don't force negotiation***

Many people, especially females, might not find it comfortable negotiating with the hiring manager. As a result, they end up accepting an offer that's less than what the employer was willing to pay.

##### ***Share your salary plan***

Let your employees know your salary plan. It will remove any confusion and help them come clean about income disparity.

##### ***Design an inclusive culture***

Welcome people with all backgrounds and help them feel to be a part of your company. Celebrating equal payday can help to raise critical awareness. With no gender pay gap, every female and male will feel valued and dedicate themselves to their workplace.

##### ***Promote Transparency***

Every company should ensure that every employee has an equal opportunity to advance by being upfront about their performance reviews, promotions, salary increases, and prizes.

The hiring and recruiting procedures must to follow the same guidelines. Unconscious gender prejudice can be eliminated and the likelihood of discrimination decreased by using standardised, skill-based interview approaches.

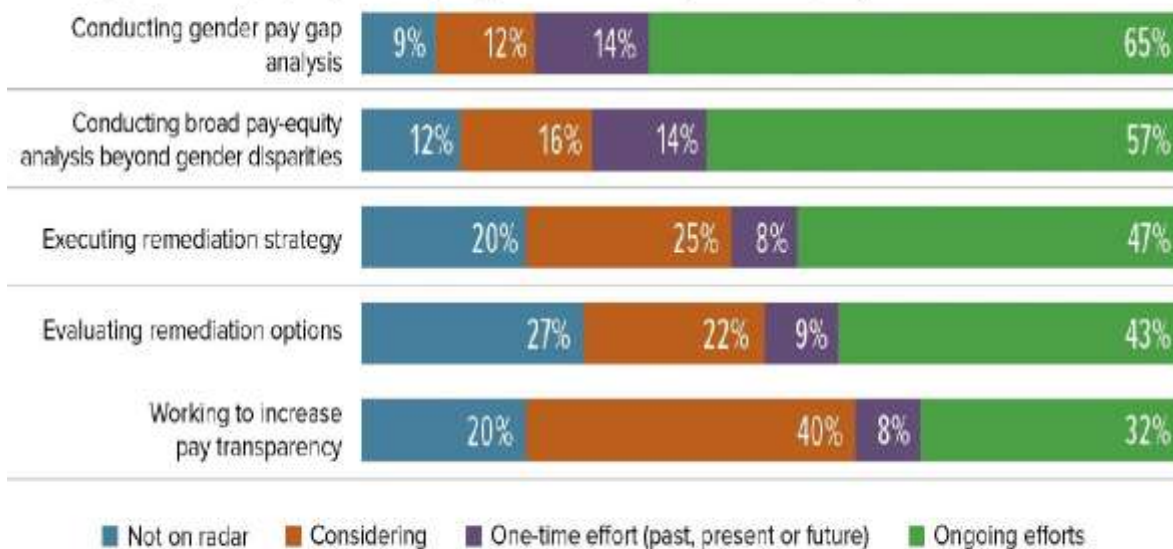
How do you calculate a new hire's beginning pay? Do you determine the value of the position or do you base your offer on the present salary of the chosen candidate? They could have received an unfair wage in their prior position as a result of organisational prejudices.

### Start from the Top

Develop a medium-term strategy to balance things out on the senior team. Focus on hiring and promoting equitably within an organization's highest tiers; this will serve as an example of the proper balance for the whole organisation, increase diversity and balance at the boardroom table, and, statistically, is one of the most effective ways to close the total pay gap.

## Actions to Address the Gender Pay Gap

To remedy gender-based pay inequities, large organizations are taking the following steps.



Source: Worka!Work. Snapshot Survey: Pay Equity Practices and Priorities report.

### Laws governing pay disparity in India

According to Article 16 of the Indian Constitution, every person has a right to equal opportunity in issues involving public employment or appointment to any position under the jurisdiction of the state. Article 38(2) seeks to reduce financial disparities between people, while Article 39 guarantees equal compensation for equally hard labour for men and women.

Differential pay for men and women employees performing the "same task" or "work of comparable type" is prohibited by the Equal Remuneration Act, 1976 of India (ERA). According to the law, "same work or work of similar nature" is defined as "work with respect to which the skill, effort, responsibility, and responsibility required are the same, when performed under similar working conditions by employees, and the difference, if any, between the skill, effort, responsibility, and responsibility required for employees of any gender, are not of practical importance in relation to the terms and conditions of employment." The ERA forbids discrimination in hiring practises, including promotions, training, and transfers, between male and female employees for the same job or one that is comparable to it.

Equal compensation for equal labour has been upheld as constitutionally lawful by the Indian Supreme Court. It was decided that temporary workers who performed equivalent tasks and activities to those performed by permanent employees were entitled to receive compensation on par with those of the similarly situated permanent workers.

The Supreme Court ruled that men and women should receive the same pay for the same labour in another significant decision. The Court rejected the employer's argument that it was unable to pay female employees at least as much as male employees in terms of compensation since the law's application is independent of the management's financial capacity to do so. In that regard, it declared that the employer had broken the ERA's rules.

### The new Code on Wages

Recently, the Code on Wages, 2019 of India (Code on Wages) has been notified and it received the Presidential assent on August 8, 2019. The Code of Wages consolidates four national level labour laws on wages, being the **ERA, Minimum Wages Act, 1948, Payment of Wages Act, 1936 and Payment of Bonus Act, 1965**.

The Code of Wages has a first set of anti-discrimination regulations that forbid discrimination against employees based on their gender in situations involving the payment of wages. The Code on Wages forbids discrimination in hiring procedures and working conditions, unless doing so would violate a legislation that forbids or restricts the employment of women in such jobs.

The main differences between the Equal Pay Act (ERA) and the Code on Wages are that whereas the ERA only addressed discrimination against women and between male and female employees, the Code on Wages forbids it on the basis of gender, which includes the LGBTIQ group as well.

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### The Future of Gender Pay Gap in India

Pay discrepancy is one of the key markers of the social injustice problem, which requires quick action, according to study and data. India has also made some efforts to reduce the salary gap. The Equal Remuneration Convention, 1951, which the ILO approved, has already been ratified by India.

India has made great strides in tackling the issue of wage fairness, but much more needs to be done. The government ought to vigorously support and promote the equal pay for equal labour concept, starting with itself! Strong wage policies and stringent application of the current anti-disparity legislation should be used to encourage this further. Since there is wage inequality in India's sizable unorganised sector as well, it is crucial to regularly run programmes educating employees about their rights. Additionally, the government must work to formalise the unorganised / informal sector by developing and enforcing appropriate pay rules that apply to it.

India has participated in the G20 (Group of Twenty), an international organisation that has established a number of sustainable pay policies to reduce the wage gap, one of the main goals of the UN's 2030 Agenda for Sustainable Development. Even if India is a signatory to several international agreements and conventions aimed at closing the pay gap, the goal must be actively pursued in order to be realised.

If India actually wants to portray itself as a progressive country, time is running short. India can undoubtedly benefit from smaller but more progressive nations like Iceland, which topped the WEF report by reducing its total gender pay gap by more than 85.8%. We can only hope that it will be on the government's agenda as soon as possible.

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