

Study reveals gender disparity in pay despite similar levels of performance

October 15 2015, by Andy Elder

Women received smaller raises than men even when evaluations show comparable levels of performance, according to a paper recently co-authored by Aparna Joshi of the Penn State Smeal College of Business.

"It was not that [women](#) systematically under-performed relative to [men](#). In fact, we found no significant difference in the performance of women and men holding similar jobs," said Joshi, professor of management and organization at Smeal. "What happened instead was that employers systematically underrewarded women who performed relatively similarly to and sometimes even higher than men."

The paper from Joshi, Jooyeon Son of the University of Illinois and Hyuntak Roh of Yonsei University in Seoul, South Korea, is a meta-analysis of nearly two hundred studies conducted across hundreds of thousands of employees between 1985 and 2013 on the differences in performance evaluations and organizational rewards such as salary, bonuses and promotions between male and female workers. The studies that the authors meta-analyzed include a wide range of jobs and occupations from bank tellers to senior executives and industry settings from healthcare to manufacturing. Basically, Joshi and her colleagues included every study that used gender in its analysis in this three decade period – the results are striking yet troubling.

"In an era where [gender bias](#) or discrimination is rarely overt or even intentional," Joshi said, "identifying the sources of chronic gender inequality offers a compelling yet challenging agenda for management

research." The study provided an opportunity for the authors to identify settings that are the most susceptible and also those that are the most resilient to sex discrimination.

Some key trends from the authors' study of the compiled data include:

- Men got higher evaluations when they held complex jobs in prestigious occupations with industries where women were severely under-represented among executives. Women tended to get higher performance evaluations in jobs requiring routine tasks and when either their occupation was gender balanced or their industry had a high representation of female executives.
- In prestigious occupations such as law, consulting, and academia, women and men received similar if not slightly higher performance evaluations than men, but men were still rewarded significantly higher than women. The gender gap in the link between performance and reward grew in relation to the percentage of men in the occupation and the complexity of the job being performed.
- Women were rewarded at higher levels than men and received higher performance evaluations in only one setting: industries with a high proportion of female executives.
- The "best" work setting for women, the study found, is one in which their rewards are judged in much the same way as men's, in a routine job located in an occupation with a roughly equal share of women and men. Another "ideal" setting for women is an industry with a high share of women in executive positions. According to the authors, there was one industry with a higher than average representation of female executives: healthcare.
- Despite the growing adoption of diversity management practices, past research has shown that many of these practices (such as mentoring, network groups, or diversity training) have no direct benefits for enhancing access for underrepresented demographic

groups. The authors note that instead of spending millions of dollars on these programs, companies seriously reexamine how seemingly 'gender-neutral' organizational practices can have very different implications for the performance and career opportunities for men and women.

Joshi notes that women have come as far as they can in closing the skills gap, the burden of action now must shift to employers to make systemic structural changes in widely used employment practices such as pay-for-performance. To counteract chronic and persistent gender bias, the authors propose organizational practices that focus on three issues: integrating accountability structures into performance management and compensation practices, designing jobs to reduce ambiguity and 'face-time' demands that tend to penalize women, and implementing industry-wide networking programs that help women gain access to social resources and support.

"When Can Women Close the Gap? A Meta-Analytic Test of Sex Differences in Performance and Rewards," appears in the October issue of *The Academy of Management Journal*.

More information: A. Joshi et al. When can women close the gap? A meta-analytic test of sex differences in performance and rewards, *Academy of Management Journal* (2014). [DOI: 10.5465/amj.2013.0721](https://doi.org/10.5465/amj.2013.0721)

Provided by Pennsylvania State University

Citation: Study reveals gender disparity in pay despite similar levels of performance (2015, October 15) retrieved 4 May 2024 from <https://phys.org/news/2015-10-reveals-gender-disparity-similar.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.