

Female pessimism about pay could sustain the gender pay gap

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The Office for National Statistics puts the gender pay gap at 9.4% for full-time employees. Measures to tackle this could fail if women continue to underestimate their earning potential, shows new research from the School of Management. Credit: University of Bath

Efforts to end the gender pay gap could be thwarted by the tendency for women to be pessimistic about their earning potential, shows new research from the University's School of Management.

The study finds that women underestimate their earnings prospects,

leading to lower expectations and little inclination to push for higher wages or promotion, or seek a better paid position.

Conversely, men consistently overestimate their prospects. When reality fails to live up to their optimistic expectations they are dissatisfied and more likely than women to try to engineer a pay rise or promotion, or change jobs in the pursuit of better pay.

The finding adds to the complex mix of causes of the gender pay gap reported as work, society and family, and calls into question the efficacy of policy measures to address the gap.

The parliamentary Women and Equalities Committee recently criticised the government for failing to implement reforms aimed at eliminating the gender pay gap, which The Office for National Statistics puts at 9.4 per cent for full-time employees in 2016. From 6 April 2017 new gender pay gap regulations will require companies to publish information on the difference between male and female salaries.

Despite being lower paid than men, it's well documented that women are more satisfied at work than their male counterparts. Economists have been trying to explain the 'paradox of the contented female worker', or why women are happy at work despite pay inequality.

Published in the *Journal of Economic Behavior & Organization*, the findings are based on analysis from the British Household Panel Survey – a major longitudinal study – tracking individuals' expectations of salaries from unemployment to paid employment.

Women underestimate pay prospects

The results suggest men have a tendency to overestimate what they would be paid, while women underestimated their pay prospects, adding

to the body of evidence that shows women underestimate their abilities, while men consistently overestimate their capabilities.

Dr Chris Dawson, Senior Lecturer in Business Economics in the School of Management, said: "If low female expectations in terms of pay is fuelled by a pessimistic outlook, then even without discrimination and progression-related issues, women will continue to underestimate themselves and continue to inadvertently accept pay inequality.

"It has serious implications for policy that is trying to address the gender pay gap and suggests more needs to be done to actively advance women at work, without relying on them to self-select for promotion and senior opportunities. The takeaway message of this research is not about putting the responsibility on women, but recognising that without policy measures to address this, we run the risk of never closing the gender pay gap."

The role of 'unconscious pessimism'

Professor Veronica Hope Hailey, Dean of the University's School of Management, added: "Whilst the role of unconscious bias in gender relations in the workplace has been well documented, this new research demonstrates the role of unconscious pessimism and passivity on the part of women. It shows the importance of people management practices that enable and encourage [women](#) to progress and recognise their value. The onus is on policy makers and employers to foster female talent so that initiatives to close the gender pay gap can succeed."

More information: Chris Dawson. The upside of pessimism – Biased beliefs and the paradox of the contented female worker, *Journal of Economic Behavior & Organization* (2017). [DOI: 10.1016/j.jebo.2017.02.004](https://doi.org/10.1016/j.jebo.2017.02.004)

Provided by University of Bath

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