

# GENDER DISCRIMINATION: THE GENDER WAGE GAP

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## ABSTRACT

*Nations power their economic growth capitalizing on their integrated workforce whereby male and female workforce join the productivity ranks to maximize financial returns, boost the productive sectors, and move the country to higher ranks of achieving the highest utilization of the human resources available to them. However, the aforementioned objectives are hindered to variable degrees depending on the category of the nation's income (Khokhar & Serajuddin, 2015). More specifically, there are many economic variables (IMF, 2015) that characterize the economic state of each nation including GDP, purchasing power parities (PPPs), annual inflation rates, currency and exchange rates, human development indices, unemployment rates, balance of payment, and foreign trade, among others. However, weaknesses in human development practices and efficiency in the labor market may lead to negative consequences. One such weakness is gender discrimination and its consequent wage gap discrimination. Hejase et al. (2015) contend that the analysis of the gender wage gap has been an active subject within the socio-economic domains around the world. Much of this gap occurs at the upper rungs of the organizational ladder, even among females with credentials or achievements to their names. Further, Hejase et al. (2014) argue that the individuals' skills, productivity, and commitment to work ultimately determine their incomes sounds too naïve to explain the earnings' differential between males and females. In fact, discrimination against females may occur at different stages of their career path. The wage gap is apparent at the top (glass ceiling) as well as at the bottom (sticky floors) of wage distribution.*

## INTRODUCTION

This paper aims to explore earning gaps reported in the literature around the globe within the white collar jobs. The study shows that common factors for both genders, including years of experience, age, educational level and position, generally cannot be attributes to explain this significant wage gap; it may imply that the said gap is due to culture, traditions and weak governmental policies.

The International Labor Office (ILO, 2018) Global Wage Report starts with the following opening statement, “*Gender pay gaps represent one of today's greatest social injustices*” in its introduction. Actually, gender parity implies that both female and male workforce enjoy equal rights, opportunities, and treatment; and have the choice to develop their competences, skills and make free-will decisions without any constraints set by their gender characteristics and roles. Therefore, when women and men have disparity in the same wages in exchange for the same work results in the so called “direct discrimination” indicating that women are simply treated less favorably than men.

According to Carson (2016), the gender wage gap is a serious worldwide issue. Although the modern life makes us believe that the wage gap is shrinking (Blau & Kahn, 2007); however, “*in practice, progress in reducing gender pay gaps has been too slow*” (ILO, 2018, p. 98).

It is still in existence due to the social believes that didn't end it, and the many hidden factors that continue to foment the wage gap and help it to remain.

Practical evidence for the wage gap has been reported in different parts of the world including the European Union (2014) where women in general, earn around 16% less per hour than men, the gender pay gap is below 10% in Slovenia, Malta, Poland, Italy, Luxembourg, and Romania, but broader than 20% in Hungary, Slovakia, Czech Republic, Germany, Austria, and Estonia. Also, in Switzerland, around 62% of 1100 professionals acceded that there are barriers to women advancement in upper management (glass ceiling), and even though a woman gets to the top managerial hierarchy she will still earn less than a man at the same level (Dacey, 2012). Similar results are also observed in Korea (Yoo, 2003); Pakistan (Channar, 2010), Australia, Austria, Philippines, Germany, Switzerland and the UK (Falk & Voigt, 2006), Canada (Vincent, 2013); Brazil (Madalozzo, 2010), USA (Kim, 2012; Chamberlain, Zhao, & Stansell, 2019 ), Britain (Hejase et al., 2013a), Spain (Lopez, M-Huertas, & S-Jimenez, 2015) and Australia (Vecchio, et al. 2013).

Undeniably, women have a high level of dissatisfaction due to the unfair treatment at work which leads to a decrease in their efficiency at work (Adesina-Uthman, 2017). Moreover, the glass ceiling (invisible barrier that prevents more than a few women from reaching the top levels of management) impediment prevents women from developing their career path quickly and contributes to lowering their productivity and growth mainly due to the different barriers that oppose their advancement, including cultural norms, stereotypes, and employer policies and practices (Akpinar-Sposito, 2012). On the other hand, Arab countries including United Arab Emirates, Qatar, Lebanon, and Algeria are not different (World Economic Forum, 2020; Abirafeh, 2017; Duncan, 2018). In Lebanon, the United Nations Economic and Social Commission for Western Asia (ESCWA) (2009), Yaacoub & Badre (2011); Hejase et al. (2013a) confirmed that the first reason for women to be still considered as less equal and less competent than men is that they are not allowed to participate in top managerial positions. In the paid labor force, females find themselves earning less than males for the same types of business fields; it is a real fact facing women across the board (Schieder & Gould, 2016). Moreover, it is assumed that this gap is not evidence of discrimination, but is instead a sign of failing to adjust for factors that could impact earnings differences between men and women. However, according to Correll & Benard (2006), these factors are themselves influenced by gender bias.

Finally, according to the World Economic Forum report (2020), gender parity in pay is proving hard to achieve. The pay differentials between men and women are a persistent form of gender inequality in the workplace and the Global Gender Gap Index 2020 finds that the progress towards closing the gender gap on this aspect has stalled. The aforementioned puts pressure and an urgent need on nations (including public and private institutions) around the globe to issue fair policies that are able to be enforced.

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