Gender Compensation Discrimination: An Exploration of Gender Compensation Gap and the Higher Education Connection

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Abstract
The purpose of this paper is to examine the gender gap and the potential factors that contribute to income inequality. Since the passing of the equal pay act, the median weekly earnings of women is still just seventy eight cents on each dollar that men earn (Center for American Progress, 2010). To put this in context, the pay gap in 1970 was sixty two cents and in 1992 it was seventy five cents (Institute for Women’s Research, 1993). Undervaluation of women’s work, occupational gender segregation, and discriminatory treatment in the workplace continue to hamper efforts to reduce the gender pay gap. A pay check is women’s and men’s most important source of income. Therefore, it is surprising, discriminatory and unfair to know that after both genders have worked satisfactorily on the same job; they do not receive the same pay. The gender pay gap is the best way to measure pay inequality between men and women. The authors discuss Gender Compensation Discrimination and examine the historical trends in pay difference, the various causes and the methods and paths considered for closing the Gender Compensation Gap.

Key words: Gender Compensation Discrimination, Gender Compensation Gap, Equality, Rights and Privileges, Sex Segregation, Gender Pay Gap, Wage Gap, Discrimination, Equal Pay Act, Occupational Gender Segregation, Gender Differences, Gender-Based Salary Differences, Executive Compensation, Higher Education.

Introduction
Gender issues are not limited to the corporate world even though they dominate and exhibit themselves in this environment where compensation and authority, acknowledgment for productivity, leadership and managerial positions and privileges are used to differentiate the gender or sexes. Higher educational institutions are part of the environment or terrain in which Gender Compensation Discrimination and the Gender Compensation Gap exist to create the perceptions and reality of inequality between men and women. There are several organizations that keep track of these issues and that work to address them through research and education. These include the Institute for Women’s Policy Research and the U.S. Bureau of Labor Statistics which provide a wealth of data and information on gender wage and salary comparisons. Women
have made enormous advances toward economic equality, but gaps in income between men and women persist and only multiply over time (Center for American Progress, 2010). Therefore, there is need for greater research and actions to address Gender Compensation Discrimination in America and across the globe.

**Gender Differences as a Source of Controversy**

The differences between the genders have been an enduring source of disagreements and controversial debates over the centuries, especially in the 20th and 21st century where the roles of women dramatically changed in comparison to their predecessors. Gender differences are natural and a given, and controversies arising out of this natural phenomenon hinge on issues of treatment, equality, respect, fairness, and rights and privileges of persons with regard to their gender. One such issue is the tendency of some organizations to compensate female employees less for equal positions of responsibility and contributions to organizational growth and progress than their male counterparts. This practice is called *Gender Compensation Discrimination* and results in a gap between male and female monetary and other non-monetary rewards for work. This gap is called the *Gender Compensation Gap*. The Gender Compensation Gap is also known as the *Gender Pay Gap* and describes the difference between men’s and women’s average salaries (United States Government Accounting Office & Sherrill, 2009).

**Gender Compensation Discrimination and Gap**

According to Johnson and Solon (1986), the civil rights legislation of the 1960s made it illegal for an employer to pay men and women on different bases for the same work or to discriminate against women in hiring, job assignment, or promotion. However, the practice of paying different wages to men and women for the same jobs is still a big problem even in this current year 2010 and continues to plague efforts designed to foster equality. Gender Compensation Discrimination and the resulting Gender Compensation Gap stemming from this practice originate from the perception held by some individuals or groups that men and women are not equal, and specifically, that men are superior to women in terms of skills, leadership, and managerial abilities. These individuals or groups fail to see where women must apply equal problem solving or conceptual, interpersonal, and technical skills in completing job tasks. Their perceptions stem from historical and unchanged understanding of the roles and responsibilities of women, and can sometimes be linked to cultural, social, or religious beliefs that are unchanging. One of the historical factors that have contributed to the gender compensation gap concerns the roles of men and women in society. Gender has always been a gauge for assigning and determining the “appropriate” roles of men and women. Women still spend more time in household activities than men and thus, often have fewer opportunities for work and taking up responsibilities in some organizations and positions where they would earn larger salary than men. *Figure 1* shows the distribution of the genders across household activities, showing that women still dominate this “traditionally-female role” except in the area of lawn and garden care.

There are two frightening trends that facilitate and maintain the Gender Compensation Gap. These factors are “positive-negative” factors because they act as opportunities for women, but are weaknesses in the bid for equality in compensation; (i) women with more education lose more income and women at all education levels lose significant amounts of income due to the career wage gap, but women with the most education lose the most in earnings; and (ii) the wage gap widens as women get older and carries into retirement, and although women workers earn
less than men at every stage of life, the wage gap widens as women get older and continues into retirement (Center for American Progress, 2009, p. 1; Lips, 2008). Similar to educational level being a “positive-negative” factor for women with regard to the gender compensation gap or gender wage gap, the wage gap also exists within occupations (Lips, 2008). “Some people think that if women move into male-dominated occupations in larger numbers, the wage gap will close. However, there appears to be a gender-related wage gap in virtually every occupational category” (p. 1). Lips (2008) further explains this phenomenon:

The movement of women into higher paid occupations, whether male-dominated or not, may not have the impact of narrowing the earnings gap. Social psychologists have demonstrated repeatedly that occupations associated with women or requiring stereotypically feminine skills are rated as less prestigious and deserving of less pay than occupations associated with men and masculine skills. Thus, as more and more women enter an occupation, there may be a tendency to value (and reward) that occupation less and less (p. 1).

According to the U.S. Bureau of Labor Statistics (2010) on an average day, 85 percent of women and 67 percent of men spent some time doing household activities such as housework, cooking, lawn care, or financial and other household management. Twenty percent of men did housework such as cleaning or doing laundry on an average day, compared with 51 percent of women. Forty percent of men did food preparation or cleanup, compared with 68 percent of women. In addition, 12 percent of men did lawn and garden care on an average day, compared
with 7 percent of women; 16 percent of men were in engaged in household management, while 22 percent of women were engaged in that activity (U.S. Bureau of Labor Statistics, 2010, p. 1).

Gender Compensation Discrimination has been a historic feature of the American economy. According to the U.S. Bureau of Labor Statistics (2010), in 1979, the first year for which comparable earnings data are available for women’s-to-men’s earning ratio, women earned about 62 percent as much as men. After a gradual rise in the 1980s and 1990s, the women’s-to-men’s earnings ratio peaked at 81 percent in 2005 and 2006. Among younger workers, the earnings differences between women and men were not as great. In 2009, women earned 89 percent as much as men among workers 25 to 34 years old and 93 percent as much among 16 to 24 years old (Figure 2). “In 2009, women who were full-time wage and salary workers had median weekly earnings that were about 80 percent of the earnings of their male counterparts” (U.S. Bureau of Labor Statistics, 2010, p. 1). In the age groupings of those 35 years and older, women had earnings that were roughly three-fourths as much as their male counterparts (U.S. Bureau of Labor Statistics, 2010).

![Figure 2: Women’s Earnings as Percent of Men’s Weekly Earnings 1979-2009](source: U.S. Bureau of Labor Statistics (2010)).

According to the U.S. Department of Labor, U.S. Bureau of Labor Statistics (2010) in 2009 women who were full-time wage and salary workers had median weekly earnings of $657, or about 80 percent of the $819 median for their male counterparts. According to the Institute for Women’s Policy Research (2010), “The ratio of women’s and men’s median annual earnings, was 77.0 for full-time, year-round workers in 2009, essentially unchanged from 77.1 in 2008. (This means the gender wage gap for full-time year-round workers is now 22.9 percent.) This is below the peak of 77.8 percent in 2007” (p. 1). The Institute for Women’s Policy Research (2010) argues that the ratio of women’s to men’s median weekly earnings for full-time workers –
was 80.2 in 2009, which is essentially flat since the historical high of 81.0 in 2005, and this is a cause for concern as it means that efforts at rectifying Gender Compensation Discrimination might have decreased, and that women are still being treated unequally in many of America’s corporations. Both weekly full-time workers and year-round full-time workers earning ratios reflect gender differences in both hourly wages and the number of hours worked each year. This means that women are being compensated unfairly compared to men in both the short-term and long-term.

**Theories on Gender Compensation Gap**

Although the Equal Pay Act was enacted about four decades ago, there is still a wide gap between the salaries of men and women. The Equal Pay Act of 1963 was created due to the large discrepancies in income of people who are doing the same jobs. Throughout the years many justifications have been advanced for pay inequity based on gender, with the predominant belief being there is a difference in productivity, based on a person’s sex. *Sex Segregation*, the division of labor based on gender, has existed from the beginning of human history and is arguably one of the most profound reasons why the pay gap still exists today. The equal pay act has done little to address this issue because it only addresses gender income differences for those individuals occupying the same positions. Another justification for the pay gap has been the difference in human capital investment in education or work experience that has existed between men and women. The explanation had, at its core, the idea that individuals with more human capital are of greater value to employers because of the increased productivity associated with increased knowledge. This was due to the historical roles of men and women in comparison, leaving men more educated and more skilled than women in the dominant fields of industry in the early and previous century. Women have since closed the human capital gap and in many cases, attained higher levels of education than men. However, this does not mean that they have also closed the pay gap.

With regard to work experience, the tenure of men and women in occupations and industry is cited as a factor in the compensation gap between the sexes. By tenure, we refer to the number of years spent in a particular job or company. According to the U.S. Bureau of Labor Statistics (2010), in January 2010, the median number of years that wage and salary workers had been with their current employer was 4.4. Men had longer tenure than women in all age groups except the 65 years and older (*Figure 3*). In January 2010, median tenure for men was 4.6 years, up from 4.2 years in January 2008. For women, median tenure in January 2010 was 4.2 years, slightly higher than the median (3.9 years) in January 2008. Also, among men, 30 percent had at least 10 years of tenure with their current employer, compared with 28 percent among women (U.S. Bureau of Labor Statistics, 2010). Men have had many decades of experience in some industries compared to women and this factor affects both tenure and has been a contributing factor to wage and salary difference between the sexes. Men have traditionally occupied the most important positions in organizations as well, and leadership in many work organizations has been a gender-biased pursuit in favor of men.
A review of literature reveals the two predominant theories that are most commonly used to explain the pay gap. The first comes from neo-classical economic, human capital theory, and was pioneered by Becker (1964). Human capital theory views individuals as rational actors that make decisions about investments and is therefore, an individualistic argument. Investment in human capital, are with regard to time spent doing either something that will increase human value, are those that will have an impact on human productivity. From the viewpoint of the human capitalist, the pay gap is not problematic because it results from the different choices that men and women make about investment in time. Thus human capitalists postulate that the pay gap results from differing returns on investments that men and women make. From this perspective, women are thought to forego investment in human capital in favor of other investments in domesticated/household labor. Men, in contrast, are seen as making greater investments in skills that will increase their productivity. The second theory, a structural perspective, examines the labor market in which the individual is employed and is therefore, a structural argument. From this perspective, the economy can be seen as being dualistic and is comprised of monopolistic and competitive businesses, with the labor market being segmented into a primary and secondary sector (Bluestone, Murphy & Stevenson, 1973). In this theory it is ones position that determines income. Monopolistic businesses generally compensate employees more, and jobs located in the primary labor market also generally pay more. It then follows that if men are more often employed at monopolistic businesses and are employed in the primary labor market, they will earn more than women in the competitive secondary labor market.

The preceding two theories view gender as a variable to be controlled, and the alternative is to consider gender as a mechanism in the fulfillment of position. While it may be true that gender impacts the investments that women make in human capital, it is also a process by which
women are sorted into the peripheral and secondary labor market. This marginalizes women in crowded sex-type jobs which are devalued.

**Literature Review**

Research has found that using a computer at work is associated with higher pay (Allyn, 2003) and is one of the contributing factors in wage differences between men and women. Allyn indicates that men appear to receive more pay because of their higher returns to education. According to the study conducted on computers with gender and pay as variables, men receive complimentary benefits from education which is enough to create a bigger wage gap when they use the computers. According to Allyn (2003), citing Krueger and Pischke, there is a substantial wage gap between those who use computers and those who do not. The raw wage gap demonstrated that male users are the beneficiaries of greater salary increments compared to females, thus the overall impact of the use of computers on the wage gap has been negligible and has not been reduced.

Okpara, Squillance and Erondu (2005) have conducted a study on gender differences and job satisfaction of United States academics. The researchers found that there are gender differences in the job satisfaction levels of the university professors that they surveyed. Female professors in academics earn less and are less satisfied with their pay than their male colleagues. The researchers discovered that the gender wage gap was due to biases against pay increases for promotions of women since the senior members responsible for the promotions, in the university, were male. The 2004 survey that they conducted found that women were concentrated in lower academic ranks. Also, the problem of the glass ceiling is a big issue. Here, the cultural, political, and social history, experience and characteristics of women are used to keep them behind. According to Okpara, Squillance and Erondu (2005), women have not been fully recognized by most institutional leaders as equal partners in management and delivery of instruction in higher institutions. They also stated that gender inequality in higher education may be attributed to the melding of family and professional responsibilities.

Kuh, Head, Hardy and Wadsworth (1997), in their study on the influence of education and family background on the midlife earnings, investigated a national cohort of British women who were born immediately after the Second World War. The study highlighted that advanced educational qualifications were the reasons why women who were born in the early post-war period were successful and of course it depended on their family background.

In a study, using 560 higher education institutions, to find the gender differences in faculty salaries, Gander (1997), stated that the ratios of female faculty pay to male faculty pay are regressed on a reduced form equation for implicit marginal productivity ratios and rates of the departure ratios. Gander (1977) stated that the results of the study indicate that after adjusting actual pay, ratios for implicit marginal productivity ratios, female faculty pay is at least as high as male faculty pay for much of the 74% sample.

According to Tytherleigh, Jacobs, Webb, Ricketts and Cooper(2007) when differences in age and job exposure are accounted for, men and women reported similar levels of stressful work relationships, work-life balance, over load, job security, control, resources, communication, and job overall. The researchers also reported that men were more troubled by pay and benefits and women reported higher levels of physical and psychological and health outcomes of stress.

In a study on gender earnings differentials among college administrators, Monks and McGoldrick (2006) analyzed the gender pay gap among the top five salary individuals at private
higher education institutions. They found a 13% average pay disadvantage for women versus men. Monks and McGoldrick (2006) argue that the pay gap can be decomposed into 10.4% differential owing to the differences in the types of institutions and occupations that women hold relative to men and a 2.6% unexplained earnings differential.

According to Kara (2006), in his study on occupation gender wage discrimination in Turkey, Turkey has the lowest women employment/population ratio in which women earn 16% less than men per hour on average. Turkey has numerous laws governing wage discrimination, yet there is indeed wage discrimination in favor of men. The researcher emphasizes the use of human capital theory which explains that productivity is basically determined by the stock of human capital a worker holds. Formal education and work experience are human capital investments which affect productivity and earnings.

Despite women’s emergence as skilled knowledge workers and educated professionals, and the introduction of equal opportunities legislation, researchers found that graduate women’s skill and knowledge are still more likely than men’s to be under-valued and under-utilized. In the study of academics in the United Kingdom and the United States, it was discovered that academics in the U.K earn less than academics of all ages in the U.S. due to differences in labor markets and in the systems of higher education between the two countries (Stevens, 2004; Chevalier, 2002). Thus, there is a strong pay incentive for academics to migrate from the U.K. to the U.S. owing to the potential for higher compensation for both genders.

When we examine the history of the United States, it shows that Black women had higher employment rates than White women. Women who are more privileged because of their ethnicity, national origin, and educational groups were more likely to work for pay. According to England, Garcia-Beaulieu and Ross (2004), the higher education of White women explains large shares of the employment gap with each group of women of color, because in today’s labor market, education strongly predicts employment. In an article written by Penney and Livingston (2003), they portrayed concerns about many issues of women’s rights including access to higher education and gender-based salary differences. Throughout this article the desire need for women to be paid precisely what men are been paid for the same work is expressed constantly by women seeking equal treatment. Anderson (2003) states that feminism does matter and women need to be given the privilege that will polarize the academic community. There should be equity in salary. The hiring of women’s roles outside of academe is also very important. Anderson (2003) contends that the arguments put forward by feminist policy analysts are better served by a vocabulary that promotes images of an academic world where women are working to improve the conditions of a practice they share with men.

Ginther and Hayes (1999) reported on the annual review of academic salaries of the American Association of University professors. They state that full time male professors at the doctoral-level institutions earn 11.4% more than full time female professors at the same level. They reported that professors with academic tenure earn more money than untenured professors. Lamb and Moates (1999) in their model to address compensation inequalities in faculty salaries present the application of multiple regression analysis to the problem of eliminating faculty salary inequalities used by Indiana State University. After much discussion, the researchers reported that internal variable was dropped; residual analysis was used to verify the presence of salary comprehension and quantitative models were used to address salary inequalities and improve allocation of faculty salary. The results reflected the traditional gap in gender compensation. Toutkoushian (1998) uses affirmative action initiatives as his basis to help ensure that people would not be treated unfairly because of their personal characteristics. Toutkoushian argues that studies from the general labor market have shown that the total wage gap between
men and women has declined over the past 30 years, although inequities persist. Lips (2008) and the Institute for Women’s Policy Research (1993; 2010) agree with this observation.

There are some differences in salaries that are attributed to men being the breadwinners of the family, which therefore entitle them to a greater need for higher salaries. However, there are some cases where women are seen as the breadwinners of the family and based on the previous logic should receive equal salaries as those men. Nevertheless, they still receive lower salaries. Workers should be paid equally regardless of race/ethnicity, gender, marital status, or even culture and nationality. In the United States gender pay gap combines all these factors.

Executive Compensation

The American work ethic is unrivaled in the world. However, this work ethic is being destroyed for thousands of hardworking women who must tolerate being treated unequally by receiving less pay for the same work which they do as their male counterparts. This is not only damaging to American work ethic, but also the concepts of freedom and equality which define democracy. Women like men must receive equal pay to live the American Dream. The American work ethic must not be affected by such unfair practice since it is America’s work ethic, coupled with the relentless search for innovation that has led the nation to become the great economy it is today. As a capitalist society, America believes strongly in the power of free markets to improve the standard of living for everyone regardless of gender and other social characteristics. Gender Compensation Discrimination as a practice is contrary to the American belief in equal rights and equal opportunities and the belief in the American dream, which provides us with the opportunity to achieve as much and advance as far as our abilities and hard work, will take us (Pennsylvania Association of Nonprofit Organizations, 2006).

Executive compensation is an important element, not just in motivating executives, but also in informing investors about what the company’s priorities are, and how effective they are. According to Rebore (2006), compensation is primarily used as a payoff for performance. Therefore, one must recognize the relationship between performance and compensation in order to make compensation a motivator of performance. Executive compensation widens the gender pay gap because the majority of executives leading and managing corporations are males, and this means that they are getting the top salaries compared to relatively few women in such positions.

Executive compensation is determined by the amount of wages and fringe benefits and must be multifaceted, incorporating both intrinsic and extrinsic aspects of the compensation. Executive compensation will, however, benefit more from extrinsic rewards than from intrinsic rewards. Tully (2006) argues that the executive compensation system in the United States of America is broken as a result of the gap between CEO’s fortunes in 2005 and the fact that shareholders returns for the same year were close to zero. Tully (2006) suggests that the problem can be fixed by limiting severance pay and bonuses when executives do not perform as expected. In view of his suggestions, Tully (2006) highlighted five commandments which read: “thou shalt pay shareholders first; thou shalt base bonuses on economic growth; thou shalt not rely on restricted stocks; thou shalt favor options, cautiously; and thou shalt force CEO’s to hold, not sell” (p. 1).

While there are some attempts to limit executive pay which may have effects on changing disparities between men and women in corporations, the impact is hardly noticeable. For example, Chemical Week Magazine (2006) suggests that there seems to be a curtailing of the
enormous compensation packages given to executives. There were seventeen executives in the chemical industry who had salaries of at least one million dollars in 2004, and that number decreased by one in 2005. There was little overall change in executive pay in the chemical industry between 2004 and 2005. The trend has moved towards making bonuses a bigger part of the compensation package and bonuses appear to be tied to performance. Performance is increasingly being measured by company performance rather than by stock performance. Salaries accounted for about 52% of overall compensation in 2004 but that dropped to 49% in 2005. At the same time, bonuses rose from 43% in 2004 to 45% in 2005. Total overall short term compensation in the industry increased by 4.5% to $253 million in 2005. This is a stark contrast to the 40% increase from 2003 to 2004 (Chemical Week Magazine, 2006). Another trend in the chemical industry, and indeed in corporate America, is more board involvement in the marketplace.

Marquez (2006) suggests that there is a near consensus between corporate directors and institutional investors on the damage executive compensation has done to the image of America’s great corporations. A study conducted by Watson Wyatt Worldwide found 85% of institutional and 79% of corporate directors agree on the damage done by the perceived disparity in executive pay. The same study also revealed a rift between corporate directors and institutional investors, in that 65% of directors think that the current model of executive compensation, which they believe is tied to performance, has increased corporate returns, while only 22% of institutional investors agree. Only 61% of corporate directors think executives are dramatically overpaid, as against 90% of institutional investors. The new Securities and Exchange Commission executive compensation disclosure proposal, which is also pushing companies to more tightly link pay to performance, should help to reduce the rift between the perceptions of these two groups, who have the common goal of company profitability as their main interest (Marquez, 2006).

Webster, (2006) comments on a recent move by the Ford Motor Company to hire turnaround specialist Allan Mulally, who was passed over for the top job at Boeing in the previous year. The standing CEO total compensation package of $20.5 million was on the tables. This highlights the reality in corporate America that high performers have to be enticed with high compensation. This hefty compensation package was offered to Mulally, despite the decline in Ford’s automotive operations and in sharp contrast to chairman and former CEO William Ford doing the job without compensation. This move by ford underscores the belief in corporate America that high performance goals can only be realized if companies are prepared to pay high premiums to recruit and retain top talent.

There is a perception among the American public that CEOs are grossly overpaid, greedy individuals who are often rewarded for failing to perform. There is also concern among executives and boards of directors, as well as in government circles, that great damage has been done to big business because of the disparity in executive pay, compared to the average worker. Corporate boards and executives seem to be aware of this ill will among the American public and appear to be taking action to correct or self regulate before the government steps in to regulate executive compensation (Kirkland, 2006). However, government has started to pay attention to executive pay since America’s great corporate scandals of the 2000s, the recent Mortgage Crisis and Great Recession.
Individual Theory

Human capital theory supposes that individuals make investments in general and human capital (Becker, 1995). Generalized, human capital can be characterized as productive capacities that potentially could be useful to employers (examples: general educational development, labor force experience, and work habits). It is based on the assumption that individuals are rational and make investments on anything that takes time and that choices are made within the context of the cost benefit analysis (neo-classical perspective), and can essentially be divided into two categories: those that increase the likelihood of compensation and those that either have no effect, or decrease the likelihood of market return (Becker, 1995). The former can be further subdivided into four categories: on the job training, schooling, other knowledge, and health (Becker, 1995). On-the-job training is somewhat of a complex issue within the context of human capital. Unlike the other two categories, on-the-job training actually cost an employer in the short term and is a somewhat risky practice (Becker, 1995). On-the-job training makes an employee more employable and potentially could result in that employee leaving for a better position while at the same time it allows the employee to contribute more to the company’s marginal product. This can potentially increase compensation for some employees.

Schooling can be viewed in essentially the same manner as on-the-job training, in that it will potentially increase ones earning power, and women are specifically encouraged to use education where possible to increase their earning potential despite the “positive-negative” impact on gender comparison earnings (Lips, 2008). The “positive-negative” affects stems from the fact that schooling is an investment that actually costs an individual more in terms of actual monetary investment as well as short term loss of earnings. Becker (1995) also suggests that other knowledge is somewhat of a catch for all categories and includes any investments that potentially could lead to increased compensation. Examples of these includes; time spent seeking employment and visiting firms, time spent relocating for employment, increased general knowledge in essentially an area that potentially could benefit an employer. Becker also believes that investments in health, benefits employers in two ways: (i) healthy individuals will often contribute much more value to the employer; and (ii) healthy individuals do not generate health care costs for the employers (Becker, 1995).

It is assumed that raising a child will have a negative impact on one’s ability to maintain a regular work schedule. This is one of the factors affecting women’s ability to close the compensation or pay gap between them and their male counterparts. Women are the child bearers. Having children means that women will have to spend more time away from the labor market. Men therefore have a comparative advantage over women, in that, they do not have children. Men can afford to invest more of their human capital in market related activities while women invest more human capital in domestic related activities, and this stems from the historical division of labor (Parsons, 1995). In recent years the tide has changed for some women who are the breadwinners of the family. This is due to women acquiring equal and even superior skills to their male counterparts, the promotion of women entrepreneurship, efforts by many feminist and equal opportunity initiatives and organizations to afford women equality in pay, and also due to the fact that women sometimes are able to find employment much easier than men, especially in sectors of economies where nursing, child care and other opportunities more “suitable” to women’s career ambitions and orientation exist.
Higher Education

The task of coordinating and evaluating higher education is a function of a central authority such as a ministry of education, or a committee of provincial ministries, or other bodies, public or private bodies established by individuals and groups to oversee colleges and universities, their operations and programs of education. The American system unlike those of many Caribbean and European nations is highly decentralized and independent and usually operates according to State rules and a few private nationwide educational organizations or commissions. State coordinating boards of regents or commissions of higher education are appointed by the governor in most states and are elected in some states. The Boards oversee the distribution of educational resources to higher educational institutions. They also make decisions as to which institutions should issue what degrees, and develop policies that regulate institutional procedures and governance.

Higher education in America should be highly accessible to all individuals and women in particular should take advantage of this accessibility to increase their skills and their potential for higher paying jobs and increased compensation. To facilitate women’s growth and equality institutional curriculum should be regularly renewed and reviewed in fair and open processes that consider and integrate women’s issues as part of the equal opportunity tenets to which American schools, colleges and universities subscribe. Educational mission should be carefully designed to facilitate the advancement and provision of opportunities for women. Higher educational institutions must set the example by having more women in higher paid positions as their male counterparts. Academic ethics should be stressed so as to assure freedom to teach and freedom to learn for both sexes. Governance should be shared among all who participate in the academic enterprise; this including men and women who are equally qualified to govern colleges and universities, and entitled to equal opportunities, equal treatment and equal pay for their roles and responsibilities in teaching and leading. Successful administration of higher education is based on a commitment to a process rather than on the private ambitions of individuals, and thus, affording equal opportunities for both men and women means eliminating barriers such as the glass ceiling that promote Gender Compensation Discrimination and other inequalities.

Education, specifically higher education is one field in which women are always present, and have always been influential. Women have contributed significantly in their responsibilities in shaping higher education and building strong and successful colleges and schools that benefit all members of society. Thus, women are powerful leaders in the educational arena and must be rewarded for their contributions without regard to their gender. Women have made great strides in the halls of academe, with many campuses now enrolling more females than males. While this is the case, Bobbitt-Zeher (2010) states that the majority of women continue to choose majors such as education, social sciences, humanities and art that lead to lower wages over the course of their careers. Thus, the gender pay gap is also facilitated by women’s natural choices as to career ambitions and options.

Closing the Gender Wage Gap or Gender Compensation Gap

The gender wage gap is a serious problem which cuts across racial-ethnic groups. According to Lips (2008), White men are not the only group that out-earns women, although the wage gap is largest between white men and white women. Within other groups, such as African Americans, Latinos, and Asian/Pacific Islanders, men earn more than women (Figure 4). The wage gap between men and women has been explained in various ways. According to Lips
some commentators state confidently that the gap does not reflect discrimination, but other factors, such as the high wages of a few white men, and gendered patterns of occupational and educational choice and work experience. Lips (2008) does not agree with this, nor does she agree with experts from the Economic Policy Institute who believe that the gender wage gap will close in about 30 years. Furthermore, Johnson and Solon (1986) tell us that major sex differences in occupational distribution persist with predominantly female jobs typically paying less than predominantly male jobs and that this negative relationship between wage rates and femaleness of occupation has stimulated efforts, in both the judicial and political arenas, to establish “comparable worth” procedures for setting wage rates.

According to the United States Government Accounting Office and Sherrill (2009) previous research has found that, despite improvements over time, women generally earned less than men in both the general and federal workforces, even after controlling for factors that might explain differences in pay. Thus, gender compensation gap exists in both the public and private sectors and reflect that there is a deeper cultural-social, and even historical and political ideology operating to contribute to the inequality women are experiencing as far as rewards are concerned. Addressing the gender pay gap will therefore require involvement by governmental agencies and institutions, requiring more attention from legislative authorities who must first address the problem at the Federal level of government.

According to the Institute for Women’s Policy Research (2010), closing the gender wage gap is not a zero-sum game – gains for one gender do not require losses for the other. For the gender wage gap to close, women’s real wages must rise faster than men’s but, as the economy begins to grow, real wages should rise for both men and women. There are efforts by many powerful women to close the pay gap between men and women. These include powerful women...
such as Lilly Ledbetter and Hilary Clinton and organizations such as the Equal Opportunity Commission and legislation such as the Lilly Ledbetter Fair Pay Act and the Paycheck Fairness Act. According to the Center for American Progress (2009) women in the United States still earn only 78 cents on the dollar compared to men more than 45 years after the passage of the Equal Pay Act in 1963, and these two bills are key to narrowing this gap. The *Ledbetter v. Goodyear Tire & Rubber Co.* is an example of legal efforts which women must undertake to bring attention to and earn equal compensation recognition as their male counterparts for equal jobs and responsibilities.

Gender Compensation Discrimination needs to stop across American corporations in order to eliminate the Gender Compensation Gap which creates such inequality for women. According to the Center for American Progress (2009) legislation such as the Lilly Ledbetter Fair Pay Act would correct decisions similar to those in the Lilly Ledbetter case to ensure that future victims of pay discrimination can bring a lawsuit after any act of discriminatory pay. In addition, the Paycheck Fairness Act goes even further in strengthening equal pay laws through measures such as allowing victims of gender-based pay discrimination to fully recover damages, enabling the government to collect better data on wage discrimination and closing loopholes for employers defending against wage discrimination claims. According to Lips (2008), the wage gap between men and women is not really closing, but rather widening and narrowing depending on the various economic and socio-political combinations of factors operating in industries and economies from year to year. Thus, there needs to be strict implementation of legal policies that are effectively designed to mandate equal compensation across all organizations.

**Conclusion**

Closing the gender compensation gap is important if women are to enjoy the equality and freedom they are entitled to and have earned through equally hard work and contributions to organizational and societal progress as men have. Women are breadwinners, leaders and managers and have great responsibilities that they must be compensated fairly for. One of the rationale for closing the gender compensation gap provided by the Institute for Women’s Policy Research (2010) and which is extremely important to recognize is that women’s earnings have become increasingly important to family incomes, and further progress is possible. Women are taking on more and more responsibilities and must care for families and carry out the social responsibility to society and they need to be compensated equally and fairly to do so. According to the Center for American Progress (2010) higher wages for women would bring greater prosperity to families. In addition, a report from the AFL-CIO and the Institute for Women’s Policy Research found that if women were paid fairly, family incomes would rise and poverty levels would fall. Thus, there are more than adequate incentives for governmental organizations to develop more policies and strategies to assist women in narrowing the gender compensation gap.

Women have come a long way in attaining equal status and equal recognition with men in many sectors of society and parts of the world. However, religious, social, political, cultural and economic factors still act as obstacles to fair pay and fair rewards. Women’s movements in the forms of equality initiatives, women empowerment organizations and educational and civil rights centers have been doing their parts in furthering the causes of women. Women have occupied and do occupy some of the most important leadership and management positions in governments and organizations across the globe and these examples serve as demonstrations that
women are not less capable than men, and hence, not less deserving of compensation for their roles, contributions and responsibilities.

The gender pay gap or Gender Compensation Gap affects not only women, but families and children whose needs are affected by the earnings of their mothers who are often single parents or the sole providers of families. This in turn affects poverty levels, making women a larger percentage of the “poor” in society (Center for American Progress, 2010). Women are great value adders and creators whose contributions to economic growth and living standards depend on their compensation and recognition as equal earners. Thus, the imperative to eliminate Gender Compensation Discrimination and the gender pay gap should be taken seriously.

Recommendations

There are several things that women, women interest groups and organizations, governmental agencies and corporations can do to eliminate or narrow the pay gap between men and women. Women must first take the initiative to empower themselves and improve their skills by: (i) asserting their equal status as individuals; (ii) claiming equality with men in all industries and institutions; (iii) educating themselves through all available avenues and opportunities for actualization; (iv) make use of seminars, workshops and available resources to direct attention to this unfair treatment women receive in organizations; (v) apply for positions that have more responsibilities and power, and hence command higher salaries; (vi) higher and promote as well as mentor other women to become leaders and managers; and (vii) become entrepreneurs and establish themselves as independent thinkers and leaders.

Women interest groups and organizations, governmental agencies and other non-profit groups can also do several things to improve the position of women and eliminate or narrow the pay gap between men and women. They can: (i) promote women’s conferences to discuss and develop solutions to address the problem; (ii) enforce existing laws governing fair compensation; (iii) pass more laws and promote legislations that address the problem; (iv) set examples by paying men and women equally, especially at the federal governmental level where the pay gap also exists between males and females; (v) rally to support women who are victims of pay discrimination based on their genders; and (vi) provide funds and resources for women’s cause dedicated to narrowing or eliminating the gender pay gap.

Private corporations or employers can also do the most to assist women in seeking justice toward this unfair treatment by: (i) hiring women to be leaders and managers in positions of responsibility and power that pay extremely high salaries; (ii) hire more women as top managers or CEOs, executives, and as organizational consultants; (iii) develop an internal organizational policy of equal work equal pay; (iv) foster a culture of equality and acceptance where women are seen as equal in ability to their male counterparts; (v) host gender equality forums and workshops to facilitate addressing the issue; and (vi) join organizations that promote and protect women’s interests. Organizations must strive to recognize women and their ability to add value and lead and manage change as we proceed toward a tough and challenging future where talent from anyone regardless of race, culture, ethnicity, race and nationality will be appreciated in solving our common problems.

Women should be empowered for their strength and values!
References


About the Authors

Judith E. Grey-Bowen has over 30 years of teaching experience in both the Caribbean and the United States. An expert in Early Childhood Education, Dr. Grey-Bowen earned a Doctor of Education (Ed.D.) in Educational Leadership, Master of Science (M.S.) in Educational Administration, and Graduate Certificate in Educational Administration from St. Thomas University in Miami Gardens, Florida. Dr. Grey-Bowen also holds a Master of Science (M.S.) in TESOL from the University of Miami in Florida. She earned her Bachelor of Arts (B.A.) Summa Cum Laude in Early Childhood Education from Sojourner-Douglas College in Baltimore, Maryland, and a Diploma in Primary Teacher Education (Dip.Ed.) from Northern Caribbean University in Jamaica, West Indies. Dr. Grey-Bowen is an active educator who is a member of several professional and academic organizations including Phi Delta Kappa and the National Catholic College Honor Society. Dr. Grey-Bowen is certified in Florida Public School system and holds National Teachers’ Board Florida Leadership certifications. Her areas of research interest and expertise include school administration, multiculturalism and parental involvement as well as technology integration in education.

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