Gender Based Wage Discrimination and Its Impact on Performance of Blue Collar Workers: Evidence from Pakistan

Syed Mohammad Naqi Abbas¹, Shaikh Asim Athar², Gobind Herani³

Abstract

The main aim of this study was to: (i) analyze the effects of wage discrimination in gender among blue collar workers in manufacturing organizations, and specific objectives were to (i) identify that gender discrimination plays a vital role in employees' pay dissatisfaction (ii) analyze whether or not a significant difference between women's and men's pay do effect their productivity. Gender plays vital role in determining wage rate especially when there level of job is lower. Literature reviews revealed that majority of manufacturing organizations do discriminate among gender at the time of distribution on even setting the wage rates of different gender. For getting responses of these queries, a closed ended questionnaire was used to find out the employee's responses about the gender discrimination and its impact on the performance of blue-collar workers. This study reveals that manufacturing organizations do discriminate among gender at so different gender. It recommended to all organizations whether services or manufacturing concern that the better working environment with no discrimination consequently increases the productivity of the employees as well as of an organization.

JEL. Classification: D02;D31;D33;I31;J01;J15;J16;J18;J31;J33;

Keywords: Gender Discrimination, Manufacturing Organizations, Wages, Blue-Collar

1. INTRODUCTION

1.1 Background

There are many different facts due to which employees do switch their jobs out of which one main factor is genders discrimination. The wage gap is a statistical indicator often used as an index of the status of women's earnings relatively low as compared to men.

The wage gap between women and men cuts across a wide spectrum of occupations/ position/ level/ grades in many manufacturing organizations. Nowadays observations show that in the industries especially, manufacturing, there is gender-based wage discrimination on blue-collar workers, and it has direct impact on the employee's productivity. Gender-discrimination of wage and employment is the outcome in industrial economies, as it is off shoring of blue-collar jobs. Gender plays vital role in determining wage rate especially when their level of job is lower. It has been observed that majority of manufacturing organizations do discriminate among gender at the time of distribution on even setting the wage rates of different gender. This study was conducted in manufacturing concerned organizations. Blue-collar workers are facing so many

difficulties usually those who are working in service unit, such as when they are working for 12 hours, they feel in stress and weak, they feel many health effects, due to workload like depression, headaches, tension, muscular pain etc. They are less motivated towards work due to the gender based wage discrimination of the organizations, which directly has an effect on the overall productivity of the organizations. Employees are facing so many difficulties.

Gender discrimination is the major problem, which they face, during job. Therefore, the problem statement is as under:

1.2 Problem Statement:

The unfair gender-based wage discrimination of the organization de-motivates the employees, especially at the higher level within the organization, which will result in bad impact on the overall productivity of the organization.

1.3 Scope of Research

- Manufacturing organizations will take advantage and improve their productivity.
- All services concern organizations will take the benefit and bring improvement for their organizations.
- Many students, teachers and related persons will take the benefit for further research.
- This research will signify the importance of gender discrimination in an organization.
- It will provide new ways of proper compensation to improve employees' efficiency.

1.4 Objective of the study

- To verify that does gender discrimination play a vital role in employees' pay dissatisfaction
- To determine the effects of wage discrimination in gender among blue-collar workers in manufacturing organization
- To determine whether a significant difference between women and men's pay do affect each other's productivity
- To identify that gender discrimination is the main factor in the organization on which employees have wage differentials in the organization
- To identify the effects of pay gender discrimination on low, and high employee level turnover
- To find out the effect of proper compensation on employee's motivation
- To identify whether gender discrimination do effect organizational productivity.
- •

1.5 Problem Question

How much does gender-based wage discrimination exist and affect the performance of blue-collar workers? 46

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

1.6 Hypotheses

H_{A1}: There is a significant relationship between proper compensation and employee's motivation.

 H_{A2} : There is a significant difference between the productivity of women's and men's in relation to his/her compensation

 H_{A3} : There is a significant relationship between the gender discrimination and employees' pay dissatisfaction in a manufacturing oriented organization

H_{A4}: There is a significant relationship between unfair pay policy and employee turnover.

H_{A5}: There is a significant relationship between office job description and employee's compensation.

 H_{A6} : There is a significant relationship between gender discrimination and overall organizational productivity.

 H_{A7} : There is a significant relationship between gender discrimination and wages of blue and white-collar workers.

 H_{A8} : There is a significant impact of proper compensation management on supervisor and sub-ordinate relationship.

1.7 Limitations

The followings are the limitations of the research:

- The data was collected from the office workers not from the field workers.
- convenience sampling is used because of time factor, therefore, the findings may not be accurate as generalized and it would be low in external validity.
- Respondents may be biased in their responses, as they do not want to share their views regarding the policies and procedures of the organization.
- Research has widely been limited to single-display-usage i.e. it focuses on only one factor gender discrimination and its impact on employee productivity, therefore the findings may not be accurate.
- Majority of the old employees were not interested to become the part of this research, to safe themselves from the eyes of top management.
- The research is conducted on only one shift of employees, therefore findings may not be accurate

1.8 ORGANIZATION OF PAPER

Section 2 is about literature review and it details about different variables. Section 3 is about research methodology. Section 4 gives statically analysis and evaluation, and finally in section 5 conclusion and recommendations are given.

2. LITERATURE REVIEW

2.1 Economic Globalization and Gender

The female workers are mostly determined in labor-intensive and export-oriented industries, and this is compatible with and well explained by international experience. The international experience has further attested to such a trend, when a country is undergoing industrial advancement; women will lose their original relative advantage and will come across more difficulty than men do, in the course of labor movement to higher-level industries. The issue that we are concerned is whether such a situation will occur or not, even though the data we used in the analysis, which are not sufficient for us to observe the dynamic progression of industrial upgrading (Liqin and Dong 2006:1-38).

2.2 Wage Discrimination

The relationship between gender and the system of pay refers to the fact that in average, women earn less than men do. Studies show that there is a notable gender wage differential, may result from gender specific wage discrimination. If the efficiency of women is on average, lower, or has a higher discrepancy then the productivity of men, then firms will pay higher wages to men. However, personal preferences and prejudices of superiors might be another cause for biasness, incentive systems such as promotions, merit pay and piece rates are based on performance measures. Some performance measures provide discretion in performance assessment for supervisors. This discretion may result in performance appraisals based on the superior's subjective opinions and preferences toward subordinates. If performance measures differ in the degree of discretion, women who are subject to discrimination by superiors will sort into those pay schemes based on performance measures associated with less uncertainty (Gerlach 1987; Hübler 1991; Aigner and Cain 1977; Becker 1957; Baker, Jensen and Murphy 1988; Jirjahn and Stephan 2004).

2.3 The Role of Industry

Differences in wages across industries are considerable and relentless; for example, wages for similar workers are more than average in the petroleum industry, but lesser in retail trade. Shifts in employment across industries (notably, the decline in the relative employment share of blue-collar jobs, where women are under-represented) have benefitted women relative to men; however, the industry shifts had relatively little effect on the gender gap over the period (Krueger, Alan and Summers 1998; O'Neill and Polachek 1993; Blau and Kahn 1997; CEA 1998).

2.4 Decomposition of the Gender Wage Gap

In an effort to straighten out the effects on the gender wage gap of the trends in employment and wages among and within tradable and non-tradable service sector occupations, the gender wage gap is first partition into its two components: the gender wage differentials across tradable and non-tradable occupations and within each set of occupations.

The wage differential has always favored males; the endowment outcome is negative, which means that in a

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

labor market with no discrimination females should expect to have higher wages than males. This is explained for the fact, then females exhibit higher education than males; however, the discrimination results in the labor market more than compensate the endowment effect, and therefore induce that males receive higher wages than females (Zveglich and Rodgers 2004; Oaxaca and Ramson 1994).

2.5 Tenure

Obviously long anticipated tenure is one requirement for the use of deferred compensation schemes. Workers with short expected tenure are less likely to be motivated by deferred compensation, because they gather lower quasi-rents. From the employer's perspective, deferred compensation provides no appropriate incentives for women and from the women's point of view deferred compensation is less attractive because they have smaller chances that the quasi-rents are repaid. The notion that piece rates and deferred compensation schemes are substitute incentive schemes, even controlling for the tenure of the work force, the findings are that establishments with a large share of women are considerably more likely to use piece rates (Lazear 1979; Heywood and Wei 1997; Jirjahn and Stephan 2004)

2.6 The Role of Policy

A number of policies have been besieged for gender discrimination in the labor market. The Equal Pay Act of 1963 describes gender-based pay discrimination amongst employees within the same establishment, who do "substantially equal" work. Title VII of the 1964 Civil Rights Act, (and subsequent amendments) proscribes employment discrimination based on sex in a broader set of categories, including hiring, promotion, and other conditions of employment. Executive Order 11246 (issued in 1965 and amended in 1967 to include sex) requires that non-exempt federal contractors and subcontractors obtain assenting action in employment (Schultz 1970; Leonard 1984; TCEA 1998).

2.7Workplace and Market Characteristics

Even as non-work attributes may have a considerable impact on training and productivity. The work environment characteristics away from the control of employees may also slow down ability and motivation to perform activities. Several measures are incorporated in the empirical analyses as controls for; some of these characteristics are region, industrial sector, firm type (non-profit and/or privately owned) and firm size (Clifton 1997; **Almeida-Santos**, Chzhen and Mumford 2009).

2.8 Gender Gaps in Fringe Benefits

The male-female difference in wages is also noticeable in fringe benefits, which at present make up about 30 percent of total compensation, as with wages. Some part of this gap is related to differences among men and women in human capital and job characteristics, and some remains unexplained, among younger workers.

The gender gap in total compensation appears to be lesser than the gap in wages. A large amount of the

Gender Based Wage Discrimination and Its Impact on Perform...... Herani female-male gap in pension coverage can be accounted for by differences in their labor market histories and is much smaller among younger workers. In addition, among those, who have pensions, the gender gap in benefit levels is largely explained by gender differences in income. Therefore, lower wage lowers lifetime earnings, and result in lower pension reimbursement upon retirement. For some women the lack of exposure or lower benefit levels may not be a dilemma, since they receive benefits through other half. On the other hand those women who have lack of adequate physical conditions and health or pension benefits from their job, is a serious problem, and more research is needed to understand the impact of lower fringe benefit coverage on female employees (Solberg and Laughlin 1995; Even, and Macpherson 1994).

2.9 The Role of Occupation

Men and women have a propensity to work in different occupations, and wages differ largely according to the gender composition of the occupation. In particular, men and women who work in mostly female occupations earn less than comparable workers in other occupations do do. Women have increasingly moved into traditionally male occupations, but women are still much more likely to employ in service and clerical jobs than men are, while men stay more likely to be in blue-collar jobs.

Occupational separation by gender began to decline noticeably in the past few years; such changes may be due to amalgamation of formerly male or female occupations or increase in the entire employment share of occupations that is traditionally more integrated. Movement of women into traditionally male occupations was the predominate cause of the decrease in occupational segregation. in the past few years, expansion of overall employment in more integrated occupations was somewhat more important than it had been in the past. The decline in occupational segregation alone would have condensed the gender gap by about three percentage points, although occupational desegregation has sustained the rate of desegregation through the mid-1990s appears to have been somewhat slower than the rate during the 1970s and 1980s (Blau1998; Blau and Kahn 1997; Wootton 1997; TCEA 1998).

3. RESEARCH METHODOLOGY

This research is descriptive, casual and non-contrived. Most appropriately, researcher performed field experiment in order to discuss the effect of gender on blue-collar workers' wages as well as effect of discrimination on the organizational productivity. The research interference was moderate in nature. The unit of analysis was department / division. The time horizon was cross-sectional. All the blue-collar workers of a manufacturing concern were selected who were working in any department for last three or more years. Here for the field experiment, researcher used closed ended designed questionnaire to gather the data from the respondents through convenience sampling and selected 100 blue-collar employees as respondents. Questionnaire is on likert scale and options are as under: 1=highly agreed, 2= agreed, 3=neutral, 4=disagreed and highly disagreed.

4. STATISTICAL ANALYSIS and EVALUATION

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

4.1: Effect of Compensation on Employee's Motivation

Question-1: Do you agree that proper compensation does affect employee's motivation?

Testing of Hypothesis–1:

H₀: There is not a significant relationship between proper compensation and employee's motivation.($\mu o = 3$) H_A: There is a significant relationship between proper compensation and employee's motivation.($\mu 1 < 3$)

options	
1 70	
2	2 22
(**)	8 4
2	4 3
4	5 1
total	100

Table-1: Relationship between Proper Compensation and Employee's Motivation

 Z Test of Hypothesis for the Mean

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	0.795
Sample Size	100
Sample Mean	1.43

Intermediate Calculations	
Standard Error of the Mean	0.0795
Z Test Statistic	-19.74842767

Lower-Tail Test	
Lower Critical Value	-1.644853627
<i>p</i> -Value	4.13772E-87
Reject the null hypothesis	

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

3

Z-Test Graph:



Since the Z Test of Hypothesis for the Mean is 1.68, where $\mu = 3$, and the level of significance is 0.05. As calculated p-value (4.13772E-87) is less than 0.05, then Ho is rejected and H1 is accepted. Also, as intermediate calculated value of Z Test Statistic (-19.74842767) is less than tabulated value-1.644853627, which is Lower Critical Value for Level of Significance (0.05), then Ho is rejected and H1 is accepted.

Therefore, it is concluded that there is a significant relationship between proper compensation and employee's motivation.

4.2 Effect Compensation on Productivity

Question-2: Do you agree that gender discrimination is the main factor, which does affect employee's compensation in an organization?

Testing of Hypothesis-2:

Ho: There is not a significant difference between the productivity of women's and

men's in relation to his/her compensation. ($\mu o = 3$)

H_A: There is a significant difference between the productivity of women's and a man's in relation to his/her compensation. (μ 1 < 3)

Options	
1	60
2	25

Gender Based Wage Discrimination and Its Impact on Perform..... Herani

	3	5
	4	7
	5	3
total		100

Table-2: Relation Ship between Gender Discrimination and Employee'sCompensation

Z Test of Hypothesis for the Mean

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	1.05
Sample Size	100
Sample Mean	1.68

Intermediate Calculations	
Standard Error of the Mean	0.105
Z Test Statistic	-12.57142857

Lower-Tail Test	
Lower Critical Value	-1.644853627
p-Value	1.51598E-36
Reject the null hypothesis	
\square	Z-Test Graph:
	μ0 -3

μ1<

3

ANALYSIS: Since the Z Test of Hypothesis for the Mean is **1.68** where μ = **3** and the level of significance is **0.05**, so we **reject the null hypothesis** because the intermediate calculation which is negative, i.e.-**12.57142857** and Lower-Tail Test *p*-value is less then 0.05 therefore we **accept the alternative hypothesis**. Therefore, it is concluded that there is a significant difference between the productivity of women's and men is in relation to his/her compensation.

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

4.3 Gender Discrimination and Employees' Pay Dissatisfaction

Question-3: Do you agree that gender discrimination at the time of compensation allocation does play a vital role in employees' pay dissatisfaction?

Testing of Hypothesis-3:

Ho: There is not a significant relationship between the gender discrimination and employees' pay dissatisfaction in a manufacturing oriented organization.($\mu o = 3$) **HA:** There is a significant relationship between the gender discrimination and employees' pay dissatisfaction in a manufacturing oriented organization.($\mu 1 < 3$)

Options	
1	23
2	51
3	10
4	9
5	7
total	100

Table-3: Relationship between gender discrimination and employees' paydissatisfaction

Z Test of Hypothesis for the Mean

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	1.12475
Sample Size	100
Sample Mean	2.26

Intermediate Calculations	
Standard Error of the Mean	0.112475
Z Test Statistic	-6.579239831

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

3

Lower-Tail Test	
Lower Critical Value	-1.644853627
p-Value	2.3643E-11
Reject the null hypothesis	

Z-Test Graph:

ANALYSIS: Since the Z Test of Hypothesis for the Mean is **2.26** where $\mu = 3$ and the level of significance is **0.05**, so we **reject the null hypothesis** because the intermediate calculation which is negative, i.e. **-6.579239831** and Lower-Tail Test *p*-value is less then 0.05 therefore we **accept the alternative hypothesis.** Therefore, it is concluded that there is a significant relationship between the gender discrimination and employees' pay dissatisfaction in a manufacturing oriented organization.

4.4 Relationships between Unfair Pay Policy and Employee Turnover

Question-4: Do you agree that unfair pay policy do effects on low and high employee turnover?

Testing of Hypothesis – 4:

Q. Do you agree that unfair pay policy does affect on low and high employee turnover?

H₀: There is not a significant relationship between unfair pay policy and employee turnover. ($\mu o = 3$)

HA: There is a significant relationship between unfair pay policy and employee

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

turnover. (μ**1 < 3**)

Options	
1	50
2	30
3	10
4	6
5	4
total	100

Table-4: Relationship between Pay Policy and Employee Turnover

Z Test of Hypothesis for the Mean

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	1.09
Sample Size	100
Sample Mean	1.84

Intermediate Calculations	
Standard Error of the Mean	0.109
Z Test Statistic	-10.64220183

Lower-Tail Test	
Lower Critical Value	-1.644853627
p-Value	9.47976E-27
Reject the null hypothesis	

Z-Test Graph:



ANALYSIS: Since the Z Test of Hypothesis for the Mean is **1.84** where $\mu = 3$ and the level of significance is **0.05**, so we **reject the null hypothesis** because the intermediate calculation which is negative, i.e.-**10.64220183** and Lower-Tail Test *p*-value is less then 0.05 therefore we **accept the alternative hypothesis**.

Therefore, it is concluded that there is a significant relationship between unfair pay policy and employee turnover.

4.5 Relationships Between Office Job Description and Employee's Compensation

Question-5: Do you agree that proper job description and unbiased gender wage distribution can be helpful for increasing employee's productivity?

Testing of Hypothesis – 5

H₀: There is not a significant relationship between proper job description and employee's productivity. ($\mu o = 3$)

 H_A : There is a significant relationship between proper job description and employee's productivity. ($\mu 1 < 3$)

Options	
1	54
2	22
3	10
4	8
5	6
total	100

Table-5: Relationship between proper job description and employee's productivity

Z Test of Hypothesis for the Mean

3

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	1.22
Sample Size	100
Sample Mean	1.9

Intermediate Calculations	
Standard Error of the Mean	0.122
Z Test Statistic	-9.016393443

Lower-Tail Test	
Lower Critical Value	-1.644853627
<i>p</i> -Value	9.71917E-20
Reject the null hypothesis	

Z-Test Graph:



μ0**=3**

3

μ1<

ANALYSIS: Since the Z Test of Hypothesis for the Mean is

1.9 where $\mu = 3$ and the level of significance is **0.05**, so we **reject the null hypothesis** because the intermediate calculation which is negative, i.e.-9.016393443 and Lower-Tail Test *p*-value is less then 0.05 therefore we **accept the alternative hypothesis**.

Therefore, it is concluded that there is a significant relationship between proper job description and employee's productivity.

4.6 Relationships between gender discrimination and overall organizational productivity

Question-6: Do you agree that gender discrimination does affect organizational productivity?

Testing of Hypothesis – 6:

Ho: There is not a significant relationship between gender discrimination and overall organizational productivity. ($\mu o = 3$)

H_A: There is a significant relationship between gender discrimination and overall organizational productivity. (μ 1 < 3)

Options	
1	40
2	30
3	15
4	10
5	5
total	100

Table-6:Relationshipbetweengender-discriminationandorganizationalproductivity

59

Z Test of Hypothesis for the Mean

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	1.18
Sample Size	100
Sample Mean	2.1

Intermediate Calculations	
Standard Error of the Mean	0.118
Z Test Statistic	-7.627118644

Lower-Tail Test	
Lower Critical Value	-1.644853627
p-Value	1.20029E-14
Reject the null hypothesis	

Z-Test Graph:



ANALYSIS: Since the Z Test of Hypothesis for the Mean is **2.1** where $\mu = 3$ and the level of significance is **0.05**, so we **reject the null hypothesis** because the intermediate calculation which is negative, i.e.-**7.627118644**, and Lower-Tail Test *p*-value is less then 0.05 therefore we **accept the alternative hypothesis**.

Therefore, it is concluded that there is a significant relationship between gender discrimination and overall organizational productivity.

4.7 Relationships between gender discrimination and wages of blue and white-collar workers

Question-7: Do you agree that proper compensation system should be for both white and blue-collar workers?

Testing of Hypothesis – 7:

H₀: There is not a significant relationship between gender discrimination and wages of blue and white collar workers.($\mu o = 3$)

H_A: There is a significant relationship between gender discrimination and wages of blue and white-collar workers. (μ 1 < 3)

Options	
1	24
2	50
3	10
4	9
5	7
total	100

Table-7: Relationship between compensation system and white and bluecollar workers.

Z Test of Hypothesis for the Mean

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	1.13
Sample Size	100
Sample Mean	2.25

Intermediate Calculations	
Standard Error of the Mean	0.113
Z Test Statistic	-6.637168142

Lower-Tail Test	
Lower Critical Value	-1.644853627
p-Value	1.59883E-11
Reject the null hypothesis	

Z-Test Graph:



ANALYSIS: Since the Z Test of Hypothesis for the Mean is **2.25** where $\mu = 3$ and the level of significance is **0.05**, so we **reject the null hypothesis** because the intermediate calculation which is negative, i.e.-**6.637168142** and Lower-Tail Test *p*-value is less then 0.05 therefore we **accept the alternative hypothesis**.

Therefore, it is concluded that there is a significant relationship between gender discrimination and wages of blue and white-collar workers.

4.8 Impact of proper compensation management on supervisor and sub-ordinate relationship

Question-8: Do you agree that well organized compensation policy can be helpful to develop strong relationship between supervisor and subordinates?

Testing of Hypothesis – 8:

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

Ho: There is not a significant impact of proper compensation management on supervisor and sub-ordinate relationship. ($\mu o = 3$)

H_A: There is a significant impact of proper compensation management on supervisor and sub-ordinate relationship. (μ 1 < 3)

Options	
1	60
2	31
3	3
4	5
5	1
total	100

Table-8: Data response of about well-organized compensation policy can be helpful to develop strong relationship between supervisor and subordinates.

Z Test of Hypothesis for the Mean

Data	
Null Hypothesis μ=	3
Level of Significance	0.05
Population Standard Deviation	0.85
Sample Size	100
Sample Mean	1.56

Intermediate Calculations	
Standard Error of the Mean	0.085
Z Test Statistic	-16.94117647

Lower-Tail Test	
Lower Critical Value	-1.644853627
p-Value	1.11804E-64
Reject the null hypothesis	

Z-Test Graph:



ANALYSIS: Since the Z Test of Hypothesis for the Mean is 1.56 where $\mu = 3$ and the level of significance is 0.05, so we reject the null hypothesis because the intermediate calculation which is negative, i.e.-16.94117647 and Lower-Tail Test *p*-value is less then 0.05 therefore we accept the alternative hypothesis.

Therefore, it is concluded that there is a significant impact of proper compensation management on supervisor and sub-ordinate relationship.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

It is evident from the study that **gender discrimination** does have an influence on **employees' productivity**. It was also significant to discover that there is a direct relationship between **gender discrimination and employees productivity**. Hence, if there would be proper gender discrimination policy in the organizations, then there would be a corresponding change in **employee performance** and increase in their work **motivation and satisfaction**. The higher level of employees' performance would result in the greater level of employee **retention** and organizational goals accomplishment.

The result of **hypothesis-1** shows a significant relationship between proper compensation and employee's motivation. However, the employees in the organization can motivate an effective compensation policy. On the other hand, the findings of research in **hypothesis-2** indicated that there is a significant difference between the productivity of women's and men's in relation to his/her compensation, because in the manufacturing organization it is observed that men's productivity is different from women's productivity in relation to compensation. It is also observed in **hypothesis-3** that there is a significant relationship between the gender discrimination and employees' pay dissatisfaction in a manufacturing oriented organization. It is revealed that the more the employee is dissatisfied by his/her pay the more he/she will panic and therefore there will be more gender discrimination. On a theoretical level, overall the picture that emerges in **hypothesis-4** is a simplest one. It concludes that there is a significant relationship between unfair pay policy and employee turnover. The organization can retain the employees by maintaining improvement in their pay policy. Hypothesis-5 shows significant relationship between proper job description and employee's compensation. Proper job description will let the employee to work what is demanded by the organization,

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

employee will be compensated accordingly, and this will improve the overall performance of the organization. **Hypothesis-6** shows that there is a significant relationship between gender discrimination and overall organizational productivity. Organization policy for gender fair to all the employees and can helpful to increase the enthusiasm of employees to work in the organization. **Hypothesis-7** shows there is a significant relationship between gender discrimination and wages of blue and white-collar workers. It happens in many organizations that the wages of the male employees are different from the female employees. This can result in decrease the productivity of the organization and employees and employers feel uncomfortable to work in the organization. **Hypothes-8** shows that there is a significant impact of proper compensation management on supervisor and sub-ordinate relationship. For any organization, supervisor and sub-ordinate relationship plays a very significant part in the productivity of the organization.

5.2 Recommendations

After detailed conclusion number of recommendations are needed which are mentioned, as follows:

- The organization should ensure compensation policy for both the genders, so that it does not affect employee's motivation.
- The organization should ensure retention of its employees by not having an unfair or biased pay policy.
- There should be proper compensation system for both white and blue-collar workers.
- The organizations should ensure that gender discrimination is not affecting employees' productivity.
- The organizations should ensure that the employees' turnover is not due to gender discrimination.
- Proper job description and unbiased gender wage distribution policy be employed for increasing employee's productivity.
- A well-organized compensation policy should be for supervisor and subordinates.
- Employee's satisfaction does increase the overall productivity of the organization.

REFERENCES

Aigner, D.J. and G.G. Cain. 1977. *Statistical Theories of Discrimination in Labour Markets*. Industrial and Labour Relations Review, 30:175-187.

Almeida-Santos, Filipe, Yekaterina Chzhen, and Karen Mumford. 2009. Employee Training and Wage Dispersion: White and Blue Collar Workers in Britain. Instituto Universitário de Desenvolvimento e Promoção Social Universidade Católica Portuguesa. York IZA: Department of Economics and Related Studies University of York, Department of Social Policy University of York IZA, Institute for the Study of Labour., Current version, Revised 2009. PP 1-26.

Baker, George P., Michael C. Jensen and Kevin J. Murphy 1988. *Compensation and Incentives: Practice vs.* 64

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

Theory. Journal of Finance. American Finance Association, 43(3): 593-616 (July)

Becker, G.S. 1957. The Economics of Discrimination. Illinois: University of Chicago press

- Blau, Francine and Lawrence Kahn. 1997. Swimming Upstream: Trends in the Gender Wage Differential in the 1980s. Journal of Labor Economics, 15(1, Part 1):1-42.
- Blau, Francine. 1998. Trends in the Well-Being of American Women, 1970-1995. Journal of Economic Literature, 36:112-65.
- Clifton, J. 1997. Constraining influences on the decision to participate in training: the importance of the non-work environment. *Cornell Center for Advanced Human Resource Studies*, Working paper no. 97-25.
- CEA. 1998. EXPLAINING TRENDS IN THE GENDER WAGE GAP, June 1998. A Report by The Council of Economic Advisers. pp. 1-6
- Even, William and David Macpherson. 1994. Gender Differences in Pensions. *Journal of Human Resources*, 29(2):555-587.
- Gerlach, K. 1987. A Note on Male-Female Wage Differences in West Germany. Journal of human resources, 22:584-592.
- Heywood, John S. and Xiangdong Wei.1997. Piece-Rate Payment Schemes and the Employment of Women: The Case of Hong Kong, *Journal of Comparative Economics*. **25**: 237–255
- Hübler, O. 1991. Einkommensdiskriminierung von Frauen und geschlechtabhängige Einkommensdeterminanten, 208: 607-624.
- Jirjahn, Uwe and Gesine Stephan. 2004. <u>Gender, piece rates and wages: evidence from matched</u> <u>employer--employee data</u>," <u>Cambridge Journal of Economics</u>, Oxford University Press, vol. 28(5), pages 683-704, September.
- Krueger, Alan and Lawrence Summers. 1998. *Efficiency Wages and the Inter-Industry Wage Structure*. Econometrica, 56(2):259-93
- Leonard, Jonathan. 1984. The Impact of Affirmative Action on Employment. *Journal of Labor Economics*, 2:439-463.
- Liqin, Zhang and Xiao- yuan Dong. 2006. Male-Female Wage Discrimination in Chinese Industry:

Gender Based Wage Discrimination and Its Impact on Perform...... Herani

Investigation Using Firm-Level Data. GEM-IWG Working Paper 06-11

Lazear, Wdwar P. 1979. Why is There Mandatory Retirement? Journal of Political Economy, 87:1261-1284

- Oaxaca, R. y and Ramson. 1994. On Discrimination and the Decomposition of Wage Differentials. *Journal of Econometrics*, 61 (1):5-21.
- O'Neill, June and Solomon Polachek. 1993. Why the Gender Gap in Wages Narrowed in the 1980s. Journal of Labor Economics, 11(1):205-228.
- Schultz. 1970. The Equal Pay Act, 29 U.S.C. '206(d) (1). 421 F.2d 3rd Cir.1970.:259
- Solberg, Eric and Teresa Laughlin.1995. The Gender Pay Gap, Fringe Benefits, and Occupational Crowding. Industrial and Labor Relations Review, 48(4):692-708.
- Wootton, Barbara. 1997. Gender differences in occupational employment. *Monthly Labor Review*, April: 15-24. Bureau of Labor Statistics.
- Zveglich, Joseph E. 2004. Occupational Segregation and the Gender Wage Gap in a Dynamic East Asian Economy. *Southern Economic Journal*, 70(4):850–75.