Gender Inequality, Gender Pay Gap, and Pay Inequity
Perceptions and Reactions in Finnish Society and Workplaces
Gender inequality, gender pay gap, and pay inequity: Perceptions and reactions in Finnish society and workplaces

Key words: Gender inequality, gender pay gap, perception, pay inequity, social psychology theory, Gender Equality Barometer, Finland

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Hanken School of Economics
ISBN 978-952-232-177-0 (PDF)
ISSN-L 0424-7256
ISSN 0424-7256 (printed)
ISSN 2242-699X (PDF)
DEDICATED TO MY PARENTS ANDREI AND VERA
ACKNOWLEDGEMENTS

In her bestselling novel, Elizabeth Gilbert wrote that in order to succeed, everybody needs a teacher, a Guru, to guide him on his path and also a safe place from which to practice. My Guru is Ingmar Björkman. My safe place is Hanken School of Economics, Department of Management and Organization. If I did not meet my supervisor, Ingmar Björkman, you, my dear reader, would not hold this book in your hands. I thus would first like to express my sincere gratitude to Professor and Excellent Person, Ingmar Björkman. You are the first person I have met who possesses such contradictory features as hardwork, inexhaustible amount of positive energy, talent, intelligence, and friendliness. I will always remember you and admire your personality. I also want to thank Hanken School of Economics for giving me a chance to be a part of the school and to enjoy every single day I spent there.

I would like to extend my gratitude to my pre-examiners Professor Iiris Aaltio and Dr Anna Stafsudd for their very valuable comments. I am especially thankful to Professor Iiris Aaltio for acting as my opponent.

Professor Jeff Hearn deserves a special mention for his encouraging and supportive supervision. Thank you for providing me with all the scientific books and articles which provoked, slowed, and dramatically enriched my PhD process. I would like to extend my gratitude to my co-supervisor, Professor Liisa Husu, who encouraged and supported me in contacting the Finnish Ministry of Social Affairs and Health and Statistics Finland for obtaining the Gender Equality Barometer data. Liisa Husu also did a great job in introducing me to the world of the Finnish gender system and its history. I also want to express my deep gratitude to Susanna Taimitarha, who had the patience to reflect upon my questions concerning statistical methodology, even when I could not formulate the proper questions to analyze my data.

I am grateful for the financing provided to me during my doctoral studies by Hanken Foundation, Department of Management and Organization, Marcus Wallenberg Foundation, and Liikesivistysrahasto Foundation.

My sincere gratitude goes to the Finnish Ministry of Social Affairs and Health as well as to Statistics Finland. Thank you so much for trusting me with your invaluable data called Gender Equality Barometer 2008. The fact that you granted such a confidential data set to a foreigner (now a Finn) radically raised the status of Finland in my eyes and also considerably increased my self-confidence.

I would also like to thank the editors of the journal 'Equality, Diversity and Inclusion: An International Journal', Regine Bendl and Mustafa Özbilgin, for permission to reproduce parts of the paper "Gender pay gap and its perceptions", published in Volume 30, 2011, of the journal, as well as the anonymous journal reviewers for their helpful comments on an earlier version of that paper.
I am grateful that I met at the department of Management and Organization so many outstanding and brilliant people: energetic Aino, intelligent Wille, genius Mats. I especially wish to thank truthful Tamara, always in a good mood Tricia, and tremendous Edyta. We are all so different and, at the same time, our friendship is a real synergy. I am also grateful to my magnificent colleagues and excellent scholars Olga, Mikko, Eric, Annamari, Tom, Matte, Hertta, Catarina, Tina, Tanja, Jennie, Jonnu, Jonna, Paulina, Linus, Christoffer, Henrika, Christina, Alexei, Markus, Saku, Pernilla, Marjut, Eero, Lotta, Henri, Heikki, Eva, and Sanne. Our chilly discussions in various places about issues you would never think about, pikkujoulus, joint trips to Jamaica and the Bahamas, conferences and ‘after-conferences’ will stay in my heart for ages.

My sincere gratitude extends to scholars of gender and other academic fields who persist in their intellectual capacity and struggle to enhance human knowledge in so many neglected and hidden areas of research.

My friends played a considerable role in my PhD process. All your jokes and questions about gender equality and the gender pay gap made my dissertation much juicier. Elena, Julia, Milla, Anastasia, Katja, Sveta, Piia, and Noora, I am glad that we are still friends after all our gender-related debates.

Parents of my husband, Sergei and Elena M., deserve a special notice. I am glad that we had so many conversations in Pernå and in many other geographical locations on the topic of ‘getting a real job’, which noticeably stimulated and accelerated my PhD writing process.

Sincere thanks go to my mama and papa for always caring about me, for strongly advising me to write a PhD, for cheering me on with the slogan ‘you can do it!’

Finally, my dear Dmitri, thank you for making my life so flowery, bright, tender, and sweet. Whatever will happen in this world, and we never know what will happen, I will love you all my life. I promise!


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1 INTRODUCTION

This thesis examines how individuals with different backgrounds and employees from various workplaces perceive gender inequality and the gender pay gap. It also analyzes employees’ reactions to pay inequity. In this chapter, I introduce the topic of the thesis and outline its main purpose. I start by providing a background to the topic of gender inequality and gender pay disparity. I then turn to outlining the research gap, defining the research aim and formulating the objectives of the thesis. Next, I highlight the key definitions, which are used in the dissertation. Further on, I discuss the national context of Finland, the empirical context in which this research is carried out. I conclude the chapter by describing the structure of the thesis.

1.1. Gender inequality and gender pay gap

On the previous page of the thesis, the ‘Minna Canth and Equality’ collector coin is illustrated. It was designed by the sculptor Reijo Paavilainen in his work ‘Eye of a Needle’. The front of the coin illustrates one side of a woman’s face overlaid with handwriting from Canth’s descriptions of the fate of women from her extensive dramatic works. The backside shows a needle in the shape of the womanhood symbol. The front side represents the eye of the needle, where a thread of Canth’s written text forming an image of equality is shown.

Through this work, Paavilainen wished to bring out Minna Canth’s achievements both as a writer and as an opinion leader in social affairs. Minna Canth (1844-1897) was a pioneer, a mediator, and an innovative radical in Finnish literature and in social thinking in questions related to gender inequality (Krogerus, 1997). She began to write while managing her family’s draper shop and living as a widow raising seven children. She was the first woman to be awarded her own national flag day in Finland, starting on March 19, 2007.

As exemplified by Minna Canth’s activism, the issue of gender inequality is not new as it has a substantially long history. This history is also reflected in academic research on gender inequality which has been expanded over the decades. Gender inequality has been found to occur in numerous ways. For example, women often receive lower pay for the same or comparable work made by men, and they are often limited in their chances for promotion, especially to top positions (e.g., Blau and Kahn., 2006; Groshen, 1991; Hannan, Schomann and Blossfeld, 1990). Some women continue to experience a glass ceiling in their workplaces (e.g., Arulampalam, Booth and Bryan, 2007). Some experience harassment and not very welcoming environments in institutions in the public sphere (e.g., Salin, 2009). Some have to struggle for the control of their bodies, and fight for equality in the face of domestic violence and trafficking (e.g., Jyrkinen, 2005). An imbalance between the distribution of household and child-raising duties between men and women also exists (e.g., Rantalaiko, 1997; Salmi and Lammi-Taskula, 1999). Men’s skills and qualifications often continue to be granted greater recognition and value than women’s skills and qualifications (e.g., Horrell, Rubery and Burchell, 1990).

In some countries, gender inequality manifests so that girls obtain less education than boys (e.g., Glick and Sahna, 2000). In others, women are discriminated in terms of receiving
health care services (e.g., Navaneetham and Dharmalingam, 2002). In some countries, abortions are still forbidden and many women are forced to raise children they do not want to have (e.g., Hedayat, Shooshtarizadeh and Raza, 2006). Gender inequality can also disadvantage men. It is mainly men who do the most dangerous and heavy work such as firefighting, policing, rescuing, and building construction (e.g., Sen, 2001).

1.2. Outlining research gaps

A growing awareness of gender inequality as well as a conviction that it should be eliminated has produced many studies aiming at uncovering its reasons (Acker, 2006a; Kanter, 1977; Neff, Cooper and Woodruff, 2007; Reskin, 2003; Sen, 1992; Teigen and Wängnerud, 2009). Much less attention has been given to the subjective dimension of how individuals perceive gender inequality and the gender pay gap. Examining whether and to what extent people perceive gender inequality to exist can help answering the question of why gender inequality persists. It can also be a step towards overcoming it because the more knowledge people gain about the phenomenon, the more power and courage they have to act against it.

A set of studies has aimed at examining the invisibility of inequality, defined as ‘the degree of awareness of inequality’ (Acker, 2006a: 452). Several studies have demonstrated that people vary considerably in their perceptions of gender inequality (Blackaby, Booth and Frank, 2005; Lange, 2008). For instance, Acker (2006a) argued that people generally see inequality as existing somewhere else, not where they are. According to her, gender inequality tends to ‘disappear’ among organizational members or is seen as something that does not exist in concrete organizations (Acker, 2006a).

In earlier research, several factors have been found to influence the way people perceive gender inequality. First of all, based on the gender socialization perspective, Smith and Rogers (2000) came to the conclusion that men and women tend to regard their workplaces with different attitudes and expectations and, thus, may perceive gender inequality differently. Furthermore, Verloo and Lombardo (2007) argued that the social context in which the concept of gender inequality is located can have an impact on the way gender inequality is recognized. However, a range of factors beyond gender and social environment are likely to be related to the way people perceive gender inequality. More theoretical and empirical work is needed to shed light on the question of how individuals understand the phenomenon of gender inequality, how they experience it, and why they perceive it differently across organizations, industries, and countries.

People’s perceptions of gender inequality may also vary considerably depending on whether we examine workplace or societal gender inequality. For example, in her early study, Acker (1991) found that bank managers intentionally hide some forms of inequality, while bank workers were not eager to discuss inequality in terms of pay since they had strong feelings that their pay was part of their identity. Similarly, in the fieldwork carried out by Korvajärvi (1998) in Finland, an example given by a secretary illustrated perceptions of distant inequality in society and close-at-hand workplace equality. According to the secretary, inequality in her working life did not exist, this was impossible. However, at the same time, the secretary confessed that the situation for women as a whole was different and
determined by family circumstances. Accordingly, while from the words of a secretary her own position was entirely up to herself, the situation for women as a whole in Finnish society was different (Korvajärvi, 1998). Both Ely and Meyerson (2000) and Korvajärvi (2003) also explored the ‘disappearance’ of gender inequality by examining the role of gender in organizations.

Although the argumentation of the above-mentioned scholars is well grounded and empirically supported, more investigation is required to broaden our knowledge about the perceived distant gender inequality in society and perceived close-at-hand gender equality in one’s own working place. How perceptions of societal gender inequality and workplace gender inequality are interrelated is a subject in need of more analysis.

One of the main elements of gender inequality, the gender pay gap, has received considerable attention by scholars all around the world (Blau and Kahn, 2006; Groshen, 1991; Hannan et al., 1990). However, several researchers documented that their respondents did not perceive the existence of a gender pay gap, even when the gap could be clearly demonstrated from statistical sources (Hill and Silva, 2005, Jackson and Grabski, 1988; Jamali, Sidani and Kobeissi, 2008; Judge and Livingston, 2008; Lange, 2008). Empirical research has suggested that women tend not to perceive the pay gap, due to differences in preferences (Hakim, 2000; Major and Konar, 1984), females’ sense of acceptance of pay inequity in job rewards (Peng, Ngo, Shi and Wong, 2009), differences in pay and benefit negotiations (Gerhart and Rynes, 1991; Kray, Thompson and Galinsky, 2001; Stuhlmacher and Walters, 1999), and differences in pay expectations (Balkin and Gomez-Mejia, 2002; Heckert, Droste, Adams, Griffin, Roberts, Mueller, and Wallis, 2002; Keaveny and Inderrieden, 2000; Keaveny, Inerrieden and Toumanoff, 2007; Major and Konar, 1984). Alternatively, while Crosby (1982) referred to the tendency of female employees to be subjectively satisfied with their salary in spite of objective underpayment as ‘the paradox of the contented female worker’, Jackson and Grabski (1988: 623) proposed that women may ‘restore psychological equity in the face of actual inequalities, which they may view as beyond their power to redress’. Furthermore, Nie, Hopkins and Hopkins (2002) suggested that the differences in rewards are relatively small between male and female employees, so that they do not perceive conditions of unfairness. Finally, Lange (2008) argued that the gender pay gap might not be perceived as such if it does not match a gender discrimination stereotype.

As we can see, a number of competing explanations have been proposed for the perceptions of the gender pay gap. However, further theoretical and empirical work is required to analyze whether and to what extent the gender pay gap is perceived to exist and to explore the whole range of factors that may influence its perceptions.

Individuals who perceive to be under-rewarded (i.e., pay inequity) tend to experience negative emotional reactions, such as job dissatisfaction, distress (Fields, Pang and Chiu, 2000), reduced well-being and respect for their jobs (Tepper, 2001), and emotional exhaustion (van Dierendonck, Schaufeli and Buunk, 2001). In addition, pay inequity can result in feelings of anger, powerlessness, increased intentions to quit the job, and decreased organizational commitment (Huseman, Hatfield and Miles, 1987; Stone-Romero and Stone, 2005).
Studies that have explored whether these relationships vary by gender have come to contradictory results. On the one hand, female employees are more likely to question the equity of pay than their male colleagues because, in many cases, female employees are subject to unequal treatment (Graham and Welbourne, 1999). As a result, female employees might be less satisfied with their salaries and less committed towards their organizations than their male counterparts. On the other hand, despite the intuitive logic of this assumption, relatively few studies support it (Balkin and Gomez-Mejia, 2002; Nie et al., 2002; Peng et al., 2009). Since the results of the studies addressing the gender differences in reactions to pay inequity are inconsistent, further investigation is needed to shed light on the possible moderating effect of gender on the relationships between pay inequity and work-related attitudes, such as organizational commitment.

1.3. Research aim and objectives

Against the background of the above discussion, the main aim of the thesis is to examine how individuals with different backgrounds, and employees, from different workplaces perceive gender inequality, the gender pay gap, and react to pay inequity.

The more specific objectives of the thesis are formulated as follows:

1) To analyze whether and to what extent individuals and employees perceive gender inequality to exist in their own workplaces and in society.

2) To identify factors that explain individuals’ and employees’ perceptions of gender inequality in their own workplace and in society.

3) To identify factors that explain individuals’ perceptions of the gender pay gap.

4) To analyze how employees react to pay inequity.

1.4. Key definitions

In this section, I introduce some key concepts used in this work. I discuss them more in depth in section 2.

**Gender in/equality:** The thesis builds on many ideas of liberal feminist theory. This strand of feminist theory claims that in order to achieve gender equality both genders should be provided with equal opportunities which refer to treating individuals as equals (Baker, Lynch, Cantillon and Walsh, 2004; Lorber, 2005). I see gender inequality as socially constructed differences between men and women, which are filtered through traditional notions of masculinity and femininity, by which women continue to experience unequal treatment. Based on liberal feminist theory, I consider that, in order to achieve gender equality both genders should be provided with the same rights, responsibilities, and opportunities. Furthermore, in order to achieve gender equality at work, both male and female employees should be provided with equal opportunities, so they both are able ‘to realize their ambitions in working life’ (Lehto, 1999:9).
Gender pay gap: The gender pay gap is also known as the “gender wage gap”, the “gender gap in earnings”, or “male-female income disparity”. In this thesis, it refers to the difference in average hourly earnings of male and female employees after controlling for human capital factors such as education and tenure (adapted from various papers of Blau and Kahn; see, for instance, Blau and Kahn, 2006).

Perception: perception is ‘the process by which people select, organize, interpret, retrieve, and respond to information from the world around them’ (Schermerhorn, Hunt, Osborn, and Uhl-Bien, 2010: 84). In this thesis, I attempt to analyze individuals’ and employees’ perceptions of gender inequality and the gender pay gap. To do so, I investigate whether and to what extent individuals and employees perceive overall, societal, and workplace gender inequality to exist.

Pay in/equity. The concept of equity implies that one receives proportionally fair outcomes in return for what one invests in a relationship or situation, when comparisons are made with similar others (Adams, 1965). Pay equity, in turn, deals with whether the pay is fair, and if it corresponds to what others with the same competencies get (Blau and Kahn, 2000). Therefore, in this thesis, the term ‘pay inequity’ refers to a particular mean for measuring unfairness of pay among men and women.

1.5. Finland as the context of research

“We are a model country where gender equality is concerned.”

Tarja Halonen (2000), President of Finland (2000-2012)

When examining perceptions of gender inequality and the gender pay gap, it is important to take into account not only the existence of different concepts of gender inequality and the gender pay gap, and the way in which different theoretical debates correspond to them, but also to consider the societal context (Verloo and Lombardo, 2007). Since the thesis is conducted in Finland, its context is discussed below.

Finland has its own unique history of reducing gender inequality. It was a part of Sweden until it was included into Czarist Russia during the Napoleonic wars and received its independence on the 6th of December 1917. Finnish women were and are often seen as bearers of national culture and language. Finland was the first country in the world to introduce full women’s suffrage (New Zealand introduced it earlier but only for white women). Finland extended women the right to vote and stand for election in 1906 (Lenoir, 2001).

For centuries Finland was a relatively poor country, where fishing, forestry and agriculture were the main sources of income. Due to the severe climate, all adult population was required to work and the daily household duties were not divided into male breadwinner and female housekeeper. Men and women needed each other’s contribution, so they supported each other (Rantalaiho, 1997).

The 1946 Finnish Collective Agreements Act established the framework for collective bargaining in the private sector. In 1960s, Finland rapidly shifted from an agricultural to an
industrial economy with an emphasis on information technology field. The rapid Finnish modernization had consequences for its gender system. Women’s traditional productive work was integrated into full-time employment in labour market. Women’s educational level and participation in politics increased. Up to the 1960s, Finland ranked highly in terms of the representation of women at the parliamentary level (Dahlerup, 1990). Finnish women became active agents in the construction of the welfare state (Rantalaiho, 1997). Many social, healthcare, maternity, and childcare benefits were introduced at that time.

Already in the 1960s and 1970s, the movement of Finnish women provided new ideas about gender roles and gender equality. It was often linked with left-wing ideology (Holli, 2003). Gender equality was promoted by encouraging women to enter jobs which were considered a male prerogative (Holli, 2003).

The Finnish Collective Agreements Act was extended to the public sector in 1970. According to the Finnish collective bargaining system, there has been a national inter-sectoral agreements negotiated between the government, the central trade union confederations, and the employer’s organizations. They have covered a wide range of economic and social issues as well as setting a framework for the collective bargaining in different sectors. While sectoral agreements continue to determine the main pay and conditions for most workers, nowadays there is a trend towards more individualized pay determination based on specific job requirements and performance (for further information, see Kekälä, 2008).

Another factor which contributed to the promotion of gender equality was the introduction of the Finnish Equality Act of 1986 (8.8.1986/609), which made gender discrimination more visible (Husu, 2001). According to the Act, those who suspected gender discrimination had the right to make a formal complaint and take the case to the court.

In 1995 quotas of giving access to more women into the Finnish public government committees were introduced. Rather than changing the power relationships between men and women, the promotion of gender equality through the introduction of quotas aimed at benefiting the society as a whole, not individual men or women (Raevaara, 2008). Quotas stabilized participation of men and women in politics. It was considered that, in the future, Finland would reach the stage where quotas would not be necessary.

The Finnish Equality Act of 1986 was reformed in 1995. The Amended Gender Equality Act of 1995 (206/1995) implied new restrictions for employers. For instance, if the staff of a company was thirty or more in number, an annual personnel and training plan had to include measures of advancing equality between male and female employees. Another section of the Act claimed that an employee representative at the workplace had an independent right of access to information on the salaries and the employment relationship of employees. The Act also prohibited discrimination on the basis of pregnancy and parenthood in both permanent and short-term forms of contracts. Furthermore, according to the Act, it was the employer’s duty to ensure that employees were not subjected to sexual harassment and to provide them with working conditions that reinforced the reconciliation

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1 Further information available at: http://www.epsu.org/r/474
of working and family life. Generally speaking, the Amended Act of 1995 obliged workplaces to systematically promote gender equality.

In 1995, Finland joined the European Union (EU), which has an important role in promoting gender equality policies across Europe through the process known as ‘Europeanization’. The EU strives to reduce gender inequality by fighting against discrimination and promoting diversity. Nevertheless, the gap between the goals and the reality is one of the topics commonly discussed among Nordic gender scholars (Borchorst, 2006; Borchorst and Siim, 2002b).

Different meanings of the concept of gender equality prevail across the European countries. The Nordic countries, including Finland, have been considered by some scholars as a paradise for women (e.g., Fougner and Asp-Larse, 1994). Its ‘passion for gender equality’ is frequently marked as an essential feature of these countries (Borchorst and Siim, 2002a; Holli, Magnusson and Rönnblom, 2005). These countries demonstrate the highest rates of women in government and policy-making positions, which help them to promote gender awareness in many public arenas. Women’s full-time employment is both practically and ideologically accepted in these countries (Rantalaiho, 1997). The Nordic countries also rank highly in terms of the work-life balance through the means of welfare state benefits to all parents and children.

Gender equality is promoted by implementation of various strategies and policies in the Nordic countries. The main strategy involves enhancing equality through legislation. Gender equality is also supported in the Nordic countries by attempting to equalize the gender division of labour, by managing day-care for children, parental leave, and care for elderly people (Heiskanen and Räsänen, 1997). Anti-discrimination legislation has also been implemented. In general, all these social policy strategies have enhanced the position of women in the Nordic countries.

Although the Nordic countries have come the furthest in achieving gender equality, Lindvert (2002) stated that gender equality has signified equality for mainly white working mothers in these countries. Other scholars have argued that although the position of women has improved in the Nordic countries, gender inequality still persists and emerges in new forms even when social policy strategies are implemented to reduce it (Acker, 1997). For the women living in the Nordic countries, equality seems like a mirage. Instead of the image of equal societies, the gender pay gap, the gendered segregation in work and education, the hierarchical difference of the valued masculine and devalued feminine as well as sexual harassment still exist there (Rantalaiho, Heiskanen and Korvajärvi, 1997).

As we can see, the research in the area of the achievement of gender equality in the Nordic countries has become more nuanced and critical. On the one hand, there is literature which describes these countries as ‘women-friendly’ societies (Borchorst and Siim, 2008; Hernes, 1987; Holli et al., 2005). On the other hand, there are researchers who claim that gender equality in these countries has not yet been achieved (Lindvert, 2002; Rantalaiho et al., 1997).
In 2004, the Non-Discrimination Act translated relevant EU directives on equal treatment into the Finnish national law (21/2004). It banned gender and other discriminations as well as sexual harassment. The Act on Equality was revised and improved in 2005 (232/2005). According to the revised Act, employers with thirty or more employees have to have an equality plan that includes a report on how women and men are distributed in different duties and on salary differentials by gender. Those employers who do not produce the equality plan can get a fine.

Nowadays, women are strongly represented in Finnish politics and trade unions; they gain higher levels of education than men. High gender segregation of the Finnish labour market is combined with high female full-time employment rates. From an international perspective, Finland is characterized by high degree of reconciliation of work and family life (Husu, 2001). As depicted in Figure 1, although no country in the world has reached full gender equality, Finland occupied third place after Iceland and Norway in the 2010 Global Gender Gap Index. It contains four sub-indexes: economic participation and opportunity, educational attainment, health and survival, and political empowerment (Global Gender Gap Report, 2010).

Figure 1  The Global Gender Gap Index 2010 rankings.

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<th>2010 score</th>
<th>2010 rank among 209 countries</th>
<th>2006 rank</th>
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Finland also showed one of the highest percentages (44%) of total female employees (Corporate Gender Gap Report, 2010). At the same time, the top positions of the Finnish business companies are mainly occupied by men, and only 13% of CEOs are women.
In the majority of the Finnish business companies (54%), only 10% of senior management positions are held by female employees (Corporate Gender Gap Report, 2010). This leads to a conclusion that women continue to dominate numerically only on the lowest and middle levels of the organizational hierarchies in Finnish companies. The respondents of this survey consider masculine/patriarchal corporate culture, lack of role models, and lack of company leadership commitment to diversity as the main explanations for the women’s absence in the positions of senior leadership (Corporate Gender Gap Report, 2010: 47).

Gender pay differences are another key issue in this thesis. According to Eurostat (2008), in 2008, women earned on average 18% less gross and per hour than men in the EU. As shown in Figure 2, Estonia (30%) and the Czech Republic (26%) were the worst offenders, while Italy (5%) and Slovenia (9%) had the smallest differences. The unadjusted gender pay difference, which is defined as the difference between average gross hourly earnings of men paid employees and of women paid employees, was around 20% in Finland (Eurostat, 2008).

**Figure 2  The unadjusted gender pay difference, whole economy, 2008 (%).**

According to Statistics Finland, the average gender pay difference in Finland narrowed modestly in 2009 (See Figure 3; Blue colour: unstandardized, green colour: standardized). While in 2008, women’s average monthly earnings were 80.8% of men’s earnings; in 2009 the respective proportion was 81.0% (Structure of Earnings Statistics, 2009). It should be noted that when background variables of age, level of education, industry, location are standardized, or when comparing the pay of wage and salary earners with a corresponding level of education, working in the same occupations and in the same industries and areas, the ratio of earnings between the genders is 85.8% (Structure of Earnings Statistics, 2009). In spite of the decentralization of wage formation since 2008, tripartite co-operation is

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important and active in gender equality issues (Saari, 2011). In order to promote further equal pay, the Finnish government and the central labour market organizations have undertaken a commitment the Equal Pay Programme, according to which, gender-based pay difference has to be narrowed to 15% by 2015\(^3\). In February 2011, a report of the overall assessment of the Equal Pay Programme 2007-2010 was published. According to the report, the factors that have narrowed gender pay differences are collective agreements, introduction of new analytical pay systems, equality planning and pay surveys, and career development for women (Salonius, 2011).

Figure 3 Average gender pay difference by employer sector in 2009.

Since the study is conducted in Finland, an overview of the Finnish gender system was provided. It should be noted that the results of the study are viewed in the Finnish context. The extent to which the results of the study can be generalized are discussed in ‘limitations and suggestions for future research’ subsection of the thesis (section 5.3).

1.6. Thesis structure

The thesis consists of five chapters. The introductory chapter provides a background to the topic of gender equality and the gender pay gap. It also introduces the main aim of the thesis and its objectives. Drawing on the literature, Chapter 2 presents the theoretical framework of the thesis. The next chapter discusses methodological issues, whilst the subsequent chapter consists of summaries of each of the four thesis papers. The final chapter presents the results of the thesis, discusses its implications and limitations, and ultimately presents ideas for the future research.

The thesis contains four papers as appendixes. Paper 1 addresses both objectives (1) and (2) by examining factors that predict employees’ perceptions of societal and workplace gender inequality. It makes a distinction between employees’ perceptions of gender inequality in society in general and in their own workplaces. In addition to individual factors, this paper includes a range of employment factors hypothesized to have an influence on employees’ perceptions of gender inequality. Paper 2 also addresses objective (1) and analyzes whether

\(^3\) Further information available at: http://www.stm.fi/en/gender_equality/equal_pay;jsessionid=1eda3baa5dda5e637bd9370a41ca
and to what extent individuals perceive overall gender inequality to exist. It also responds to objective (2) by identifying factors hypothesized to influence individuals’ perceptions of overall gender inequality. This paper illustrates how gender and occupational categorization have an impact on the way individuals perceive overall gender inequality. Paper 3 focuses on objective (3). It links several social psychological theories with the intention of identifying individual and organizational predictors of individuals’ perceptions of the gender pay gap. Paper 4 focuses on objective (4) by analyzing how male and female employees react to pay inequity. An overview of the structure of the thesis is represented in Figure 4.

**Figure 3  PhD Overview**

1. **Employees’ Perceptions of Gender Inequality in Society and in Workplace**  
   *Empirical study based on data of the Gender Equality Barometer 2008*  
   The study examines factors that predict employees’ perceptions of societal and workplace gender inequality. A theoretical model is developed based on the gender socialization perspective, anticipatory injustice model, relative deprivation, and role-balance theories.

2. **Individuals’ Perceptions of Overall Gender Inequality: Lessons from Finland**  
   *Empirical study based on data of the Gender Equality Barometer 2008*  
   By drawing on theories from social psychology, such as the gender socialization perspective, occupational socialization and relative deprivation theories, the paper identifies a number of determinants of individuals’ perceptions of overall gender inequality. The study concentrates on three particular groups of individuals: students, employed, and retired people.

3. **Gender Pay Gap and its Perceptions**  
   *Conceptual paper*  
   By scrutinizing social identity, social comparison, expectancy, social dominance and equity theories, the paper identifies a number of individual and organizational antecedents of individuals’ perceptions of the gender pay gap.

4. **Reactions to pay inequity and procedural injustice among male and female employees**  
   *Empirical paper based on university data*  
   By integrating social comparison theory and the gender socialization perspective with equity theory and organizational justice literature, the study examines whether the impact of pay inequity and perceptions of procedural justice on organizational commitment differs by gender.
2 THEORETICAL BACKGROUND

This chapter presents the theoretical framing of the thesis. I start by defining its essential element: gender. I then discuss the term ‘inequality’. Subsequently, by focusing on liberal feminist theory as one of the feminist gender theories, I introduce the ontological assumptions of the thesis. I also introduce main approaches aiming at analyzing gender inequality. Here I discuss the first central concept of the thesis – gender inequality. I then present its second central concept – gender pay gap. I discuss its magnitude and the main reasons for it. Furthermore, I introduce the term ‘perception’, the third central concept of the thesis. In this subsection, I discuss how perceptions can determine people’s attitudes and lead to different consequences. Based on the relevant theories, I describe how different factors are relevant for explaining perceptions of gender inequality and the gender pay gap. I conclude the chapter by examining how male and female employees react to pay differences.

2.1. Gender

“One is not born a woman, one becomes one.”

de Beauvoir (1949)

When we think about gender, we commonly think about men and women, and the relationships between them. However, gender is just as relevant in relationships between men and between women (Hearn and Parkin, 2003). Therefore, when speaking of gender, one should carefully consider its definition in each particular context.

In many cases, the term ‘gender’ is believed to be a synonym for ‘women’. Many researchers use the term ‘gender’ instead of the term ‘women’ in order to signify the scholarly seriousness of a work since ‘gender’ has a more neutral and objective sound than does ‘women’ (Scott, 1986). This is not the case for this thesis. Instead, Acker’s definition of gender serves as the starting point.

Acker (1992: 250) described gender as ‘patterned, socially produced distinctions between female and male, feminine and masculine. Gender is not something we are, in some inherent sense, although we may consciously think of ourselves that way. Rather, for the individual and the collective, it is a daily accomplishment ... that occurs in the course of participation in work organizations as well as in many other locations and relations’. In other words, according to Acker (1992), gender is the changing constitution of divisions between men and women in all social interactions. Since we are not ‘doing’ the same kind of gender which the previous generation ‘did’, gender is constantly changing. Men and women are active agents, who do gender in their everyday lives. Gender distinctions are socially incorporated into hierarchical structures where men tend to be at the top and women are disproportionately at the bottom, while images of those who govern and manage have a masculine character (Acker, 1992). Gender is also constantly changing because new technological practices emerge, organizational structures are reordered, and employment relationships expand (Heiskanen and Rantalaiho, 1997). Gender differences are also determined by social institutions, culture, and human interactions (Korvajärvi, 1997).
My own understanding of gender is as follows. Based on the argumentation of Scott (1986), I see gender as a constitutive element of social relationships based on perceived differences between the sexes. We, as humans, construct gender by ourselves in our everyday lives. Further, it shapes everyday behaviour of men and women by having an impact on their interactions. As with any type of relationship, gender may benefit some groups of people and harm others. It indicates and articulates the distribution of power (Scott, 1986).

### 2.2. Gender in/equality

Before switching from the discussion of gender to the discussion of gender inequality, another intensively researched topic in social science, it is essential to identify what equality itself means. Equality can be related to many different dimensions of people’s lives (Baker et al., 2004). It is ‘the belief that people should be as equal as possible in relation to the central conditions of their lives’ (Lynch and Baker, 2005: 1). In my understanding, equality is a state or condition where all individuals have equal opportunities.

In most countries people work at many levels in order to develop more equal societies. However, in most cases due to a resistance to structured reproduction of power and privilege, inequality occurs (Pease, 2010). It is a persistent attribute of our everyday lives. My understanding of inequality complies with the definition of Acker (2006a: 443) who stated that inequalities are ‘the systematic disparities between participants in power and control over goals, resources and outcomes, workplace decisions, such as how to organize work, opportunities for promotion and interesting work, security in employment and benefits, pay and other monetary rewards, respect and pleasures in work relations’.

Gender is not the only dimension of social relationships that causes inequality. Since we are so deeply diverse, equality in one space may lead to inequality in another one (Lombardo and Verloo, 2009; Sen, 1992). Although gender inequality overlaps with other inequality axes and various inequalities are often mutually constitutive, I focus only on gender inequality in this thesis.

Gender research can be viewed as a cluster of competing views on gender equality (Verloo and Lombardo, 2007). Gender inequality has been thus defined, conceptualized, approached, and studied differently. There is no agreement among politicians, practitioners and researchers on the definition of gender equality. As Holli (2003: 53) noted, ‘everybody supports gender equality because any one of us can give it the meaning we like’.

Although gender equality has become widely accepted as a political and societal goal over the last decades, as a concept, it is also changing over time. The concept of gender equality has shifted from the idea of similarity to the idea of equal worth, and from woman-centeredness
to an emphasis on the significance of gender (Lehto, 1999). It has also taken different forms depending on the economic structure and social organization of a particular society and on the culture of a particular group within the society (Lorber, 2005). All in all, in its journey through time and territories, across various cultures and different researchers, the concept of gender equality has received different meanings (Lombardo, Meier and Verloo, 2009).

Various theories have to be examined in order to choose a suitable way to study gender inequality. In the following subsections, I describe feminist gender theories, conceptualizations and typologies, which are applied for studying gender inequality. I will argue why I apply ideas from liberal feminist theory in my research, why I conceptualize inequality as a problem of sameness, and why a social-empirical approach is selected for this thesis.

2.2.1. Feminist theories and conceptualizations of gender inequality

As an organized movement, feminism grew in the 19th century in Europe and in North America in response to the great inequalities of male and female citizens of Western industrialized countries (Lorber, 2005). There was no single set of claims beyond a few generalities that could be labeled as ‘feminism’. Different political, practical, and conceptual perspectives participated in its development.

Several types of feminist theories emerged in order to address gender inequality and develop solutions for overcoming it (Lorber, 2005). They can be divided into three groups: reform feminist theories (liberal, Marxist, socialist, postcolonial), resistance feminist theories (radical, lesbian, psychoanalytic, standpoint), and rebellion feminist theories (multicultural, feminist studies of men, social construction feminism, postmodern, poststructural). Each of these theories brings unique concerns to the discussion of gender inequality. Simultaneously, they all incorporate an idea of making men and women more equal legally, socially and culturally, so gender does not privilege men as a category or give them power over women as a category.

Reform feminist theories comprehend the source of gender inequality in the difference in men’s and women’s status in the social order considering that it is not the consequence of individual preferences or unequal interpersonal relationships (Lorber, 2005). These theories view gender balance as the solution for promoting gender equality, where both men and women are valued equally according to their human potential. These theories conceptualize inequality as a problem of achieving equality as sameness (strategy of equal opportunities). According to this conceptualization, the problem of inequality is that women have been excluded from the governing and leading hierarchical positions (Verloo and Lombardo, 2007). The solution for this conceptualization is seen in the introduction of women into these positions without challenging the underlying male tradition. The key issue of this conceptualization is equal opportunities for both men and women.

Resistance feminist theories aim at promoting gender-neutral social order of practices by providing women with more power. These theories claim that the gender order cannot be equal through gender balance since patriarchy, men’s dominance, is too pervasive. According
to these theories, it is extremely hard to overcome patriarchy since it is deeply embedded into the minds of most men. Women’s devaluation and subordination are part of the ideology and values of Western culture, as represented in religion, mass media, scientific and social literature, movies, etc. (Lorber, 2005). Gender inequality may thus end up only by putting more attention towards women’s experiences and perspectives in the production of knowledge and culture. These theories conceptualize inequality as an approach of difference, which concentrates on the unquestioned male norm that women have to reproduce (Verloo and Lombardo, 2007). According to this conceptualization, focusing on similarities ignores the differentiated character and dynamics of inequalities. Equality that lies behind the claims of excluded groups for justice leads to the ignorance of differences between men and women (Scott, 1988). The solution for this conceptualization of gender inequality is thus the reconstruction of male dominant traditions by finding recognition of women’s merits that have not been valued equally to men’s merits. Only by insisting constantly on differences between men and women, we can reach gender equality (Scott, 1988).

Rebellion feminist theories claim that gender is a complex hierarchy of privileged and subordinated men and women. Rebellion feminists question the stability and the need of the whole gendered social order (Lorber, 2005). These theories conceptualize inequality as a vision of transformation or displacement. This conceptualization states that gender inequality is not only about the exclusion of women from governing and leading positions and the predominance of male power, but about the gendered world itself (Verloo and Lombardo, 2007). The dilemma of gender equality can be solved in relation to sameness and difference, but it cannot be reduced into either of them (Holli, 2003). ‘Equality can only be conceptualized in between, in an intraspace or in a continuum of sameness and difference, where both of these concepts are present’ (Holli, 2003: 45). The solution for this conceptualization of gender inequality lies in deconstructing the equality discourse and adopting diversity politics, which can open the expression of ongoing debates over the meaning of gender equality (Verloo and Lombardo, 2007).

2.2.2. Liberal feminist theory and gender inequality

Liberal feminist theory is one form of reform feminist theories as developed in the works of Friedan (1963) and Kanter (1977). It confirms the classical arguments of Wollstonecraft (1792), Mill T. (1851) and Mill J. (1869). It sees the problem of gender inequality in terms of the exclusion of women from a public sphere dominated and defined by men (Baker et al., 2004; Lorber, 2005). It argues that women should have the same legal rights as men as well as the same educational and work opportunities. One of the main ideas of liberal feminist theory is to create a society where neither men nor women, are socially meaningful categories, and both genders are treated in a gender-neutral manner. It also aims at achieving equal individual rights for both men and women via government and organizational policies such as antidiscrimination legislation and affirmative action programmes.

Due to men’s social domination and prevalence of masculine traits and values in contemporary societies, liberal feminist theory has been criticized for exalting ‘menliness’ (Lorber, 2005). It also has been criticized for not directly challenging dominant patriarchal
values (Verloo and Lombardo, 2007). According to the criticism, liberal feminist theory treats women as they were equal to men. However, according to Scott (1988), women cannot be identical to men. Thus, they cannot be equal.

As has been mentioned in the previous subsection, it is important to note that the conceptualization of gender equality has gone through a number of changes, from the idea of similarity to emphasizing the differences between genders. However, when equality and difference are paired dichotomously, they structure an unachievable choice since when one speaks about equality, he/she has to accept the notion that difference is opposing to it and vice versa (Scott, 1988). Different conceptualizations of gender equality illustrate that the question of differences between women and men, and whether they should be treated equally because they are fundamentally the same or equitably because they are fundamentally different, remains unsolved.

Despite the criticism of liberal feminist theory and conceptualization of inequality as a problem of achieving equality as sameness, this thesis builds on many ideas of this particular theory and this particular conceptualization. For instance, liberal feminist theory claims that in order to achieve gender equality both genders should be provided with equal opportunities which refer to treating individuals as equals. Based on the main assumption of the theory, I understand gender equality as treating men and women alike despite their different biology. I also see gender inequality as socially constructed differences between men and women in the society, which are filtered through traditional notions of masculinity and femininity, by which women continue to experience unequal treatment. In my opinion, in order to achieve gender equality, both genders should be provided with the same rights, responsibilities, and opportunities. I see the solution for overcoming gender inequality in the strategy of equal opportunities. As Lehto (1999) mentioned, in order to achieve gender equality, both men and women should be provided with equal opportunities, so they both are able to realize their ambitions.

### 2.2.3. Approaches to gender inequality

Apart from different conceptualization of gender inequality, there are several ways of analyzing it. Holli (2003) presented a useful typology of approaches to gender inequality. The first one, *philosophy of gender equality*, focuses on investigating the whole idea of gender equality and its concepts (Holli, 2003). It concentrates on such issues as meaning of gender equality, types of its conceptualization, its accomplishment, conditions for it, interdependence between gender equality and other societal concepts.

Another approach, *gender equality policy studies*, is interested in the ways gender equality can be promoted. This approach focuses on comparing political institutions, policy actors, gender equality policies and reforms, equal pay strategies, equality plans and other related issues across countries (Holli, 2003). This approach analyses the ways in which one could predict the ideal position of gender equality in political practice (Bacchi, 1999).

The next approach, *the feminist-discursive analysis*, is interested in the linguistic concept of gender equality. This deconstructive approach is a combination of feminist theory and
discourse analysis. It views gender equality as an object for empirical analysis with a focus on its construction and operationalization in specified contexts (Holli, 2003). It investigates how different terminology, languages, discourses of gender equality influence its concept.

The last approach, socio-empirical approach, analyses gender equality in social reality in relation to the norm (Holli, 2003). It concentrates on the degree of achievement of gender equality in different countries, during different periods of time, or at different hierarchical levels of the society. Since policymakers need not only statistics about gender equality but also in-depth analysis of the social conditions that impact the promotion of gender equality, the socio-empirical approach has become increasingly popular (Holli, 2003). By means of the socio-empirical approach in this thesis, I intend to analyze whether and to what extent, gender inequality and the gender pay gap are perceived to exist among individuals and employees in the Finnish society in general and in various Finnish organizations in particular.

2.3. Gender pay gap

"Your salary won’t be very large to start with, and, with luck, we’ll be able to keep it that way."

Anonymous

The gender pay gap is one of the basic aspects of gender inequality in working life. It has attracted a diverse set of literatures, including economics (e.g., Groshen, 1991; Blau and Kahn, 2006), sociology (e.g., Hannan et al., 1990), psychology (e.g., Stroh, Brett and Reilly, 1992), and human resource management (e.g., Heneman, 1985). The European Commission, the United States government and the general populace of many countries have also been keen on struggling against it.

There are a number of different ways of calculating the gender pay gap. The choice of measure is important as it can affect not only the reported size of the gap, but, also, its pattern. The most common measure is the difference between the mean gross hourly earnings of men and women expressed as a percentage of men's mean gross hourly earnings (Anderson, Forth, Metcalf and Kirby, 2001). Comparison of medians is also utilized as is comparison of gross weekly earnings (Anderson et al., 2001). For instance, the Office for National Statistics of the United States government recommends the use of the median when calculating the gender pay gap because it avoids distortions caused by extreme values that afflict calculations using the mean. Although the gender pay gap can be defined and measured differently, in this thesis, it refers to the difference in average hourly earnings of male and female employees after controlling for human capital factors such as education and tenure (adapted from various papers of Blau and Kahn; see, for instance, Blau and Kahn, 2006).
The existence of the gender pay gap almost all over the world has also generated the need to better understand various factors contributing to it (Blau and Kahn, 2006; Rubery, Grimshaw and Figueiredo, 2005). Auster (1989) grouped the main explanations of the gender pay gap into two main categories: macro level, where women are seen as a homogeneous group, and micro level, which concentrates on psychological approaches viewing women as a heterogeneous diverse group. At the macro level the focus is on economic theories, which provide explanations of the phenomenon based on such factors as differences in education, work experience, amount of starting salary as well as general explanations such as different types of discrimination (e.g., Grybaite, 2006; Keaveny et al., 2007; Mitra, 2002). Micro level explanations of the gender pay gap include such personal factors as individual preferences and forces, which change values and attitudes towards working conditions and compensation practices (e.g., Bren and Garcia-Penalosa 2002; Hakim, 2000; Giapponi and McEvoy, 2006).

2.4. Perceptions

In the previous subsections, I described gender inequality and one of its core components – the gender pay gap. Although these topics are of great magnitude, in this thesis, I concentrate neither on the reasons for gender inequality and the gender pay gap nor on the ways they can be measured. Instead, I examine whether and to what extent individuals and employees perceive gender inequality and the gender pay gap to exist. In the following subsections, I will introduce the term ‘perception’ and explain how it relates to people’s attitudes.

Perception is one of the oldest fields in psychology. It is also widely studied in philosophy and cognitive science. The word ‘perception’ has Latin roots and means ‘receiving, collecting, action of taking possession, apprehension with the mind or senses’ (Oxford English Dictionary). Perception is ‘the process by which people select, organize, interpret, retrieve, and respond to information from the world around them’ (Schermherhorn et al., 2010:84). A person interprets a situation (stimuli) into something meaningful to him/her based on prior experiences (Pickens, 2005). Based on the process of perceiving, people produce a meaningful experience of the world (Lindsay and Norman, 1977). In other words, people gain experience through perceptions. At the same time, people are selective in what they perceive and tend to filter information based on the capacity to absorb new data, combined with preconceived thoughts (Pickens, 2005: 56).

Perceptions are influenced by many factors, including characteristics of the perceiver, of the setting, and of the perceived. Furthermore, the perceptual process consists of several stages: information attention and selection, organization of information, its interpretation, and information retrieval. People may interpret the same information differently or may perceive the same situation differently. Differences in perception are considerable in terms of people’s responses to the perceptual process, including thoughts, feelings, and actions. Perceptions influence people’s attitudes, which, in turn, effect their behaviors, thoughts, feelings and actions.
Generally speaking, in this thesis I am interested in individuals’ perceptions. I study whether people are aware of gender inequality and the gender pay gap, and how they understand these issues. I do not study individuals’ experiences of gender inequality and the gender pay gap since this contains knowledge of or skill of gender inequality and the gender pay gap, which can be gained only through involvement in or exposure to them.

In this thesis, I aim to examine the variations in individuals’ and employees’ perceptions of gender inequality and the gender pay gap. I agree with Deutsch (2007) and Kelan (2009) that it is crucial to acknowledge and examine this variability, so we can understand the conditions under which change may occur. I thus move to the discussion of perceptions of gender inequality and the gender pay gap.

### 2.4.1. Perceptions of gender inequality

Considerable prior empirical research has found that people generally see gender inequality as existing somewhere else, not where they are (Acker, 2006a, 1991; Benschop and Doorewaard, 1998; Ely and Meyerson, 2000; Gill, 2002; Heiskanen and Räsänen, 1997; Kelan, 2009; Korvajärvi, 2003, 1998; Lewis, 2006; Rantalaiho, 1997).

Several social psychological theories are relevant in underlying why people tend to perceive gender inequality in the society in general, but not or less in their workplaces. First of all, cognitive dissonance theory (Festinger, 1957) is relevant in explaining why consciousness of gender inequality tends to disappear as long as it concerns concrete individuals. The concept of cognitive dissonance, which refers to an uncomfortable feeling caused by holding conflicting ideas simultaneously, is the core element of the theory. According to the theory, people have a motivational subconscious drive to reduce dissonance by adjusting their attitudes, beliefs and/or actions. In line with the theory, people may believe that there is gender inequality somewhere in the society where they live but reject its existence in their own workplace. This belief may or may not be true, but it reduces dissonance and makes people feel better. Thus, by preventing the identification of gender inequality in their workplaces as a personal matter, people protect their private self-concept.

Secondly, attribution theory (Weiner, 1980, 1992) might be relevant in underlying why individuals tend to acknowledge gender inequality in society but reject its existence in their workplaces. According to the theory, people are strongly motivated by the pleasant outcome of being able to feel good about themselves. People thus tend to interpret their environment and events happening there in such a way as to maintain a positive self-image. Correspondingly, people are likely to perceive gender inequality in society since they may attribute it to factors over which they have no control such as discrimination and traditional labour segregation. However, when they are asked whether gender inequality persists in their workplaces, they may deny its existence, because workplace inequality could be attributed to their own efforts and abilities, and the confirmation of its existence would lead them to feel less good about themselves.

Finally, sociometer theory (Leary, 1999) is applicable for explaining the phenomenon of gender inequality disappearance. Similar to attribution theory, sociometer theory assumes
that people have an inherent need to feel good about themselves, and this is the reason why they are so concerned about self-esteem. According to the theory, self-esteem observes interactions between people and sends signals to the person to keep him/her aware of how socially acceptable his/her behaviour is. The way people perceive gender inequality in society is not likely to have a great impact on self-esteem since it is not considered to be a personal matter, and people cannot directly contribute to its disappearance. However, when people perceive the existence of gender inequality in their own workplaces, they might feel a threat to their social acceptability. In other words, since social acceptance has a profound influence on individuals’ overall opinions of themselves and their overall well being, it is convenient for them to deny the existence of gender inequality in their workplaces in order to protect their self-esteem and minimize the chances of their rejection in the society. All in all, based on the above-mentioned theories, people are suggested to perceive gender inequality in society in general but to see it as ‘something beside the point of the organization’ (Acker, 2006a: 452).

2.4.2. Perceptions of gender pay gap

The gender pay gap exists almost all over the world (e.g., Corporate Gender Gap Report, 2010). Since in most cases female employees are subjected to unequal treatment, they should be more likely to question the disparity of pay than their male colleagues (Graham and Welbourne, 1999). Despite the intuitive logic of this assumption, not many studies have supported it (Nie et al., 2002). In contrast, most empirical research demonstrates that female employees tend to perceive the gender pay gap to a lesser extent than their male counterparts (Keaveny et al., 2007; Kray et al., 2001; Peng et al., 2009).

For example, in order to discover the attitudes of Europeans towards the gender pay gap, the European Commission launched a two phase European-wide communication campaign on the gender pay gap in 2009. Based on the campaign, a study, conducted by the Eurobarometer (2009), found that around half of Europeans consider the gender pay gap as one of the priorities for action in the field of gender equality. Moreover, around 82% of Europeans think that the issue of the gender pay gap should be addressed urgently.

From the above-mentioned examples it is seen that while academic research has shown that female employees tend to perceive the gender pay gap to a lesser extent than their male counterparts (Keaveny et al., 2007; Kray et al., 2001; Nie et al., 2002, Peng et al., 2009), the Eurobarometer (2009) has found the opposite. More theoretical and empirical work is thus needed to shed light on the question of whether and to what extent individuals perceive the gender pay gap to exist, how sensitive they are towards it and which factors can explain their perceptions.

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4 Further information available at: http://europa.eu/eucalendar/event/id/212/mode/standalone
2.4.3. Factors related to perceptions of gender inequality and the gender pay gap

As noted in chapter 1.2, factors explaining people’s propensity to perceive gender inequality and the gender pay gap have not received much attention in the literature. Therefore, two of the objectives of this thesis are to identify factors that explain individuals’ and employees’ perceptions of gender inequality and the gender pay gap. These objectives are addressed in the first three thesis papers. Tables 1 depicts all factors, which were under investigation in those papers, and which were theoretically suggested to have an impact on individuals’ and employees’ perceptions of gender inequality and the gender pay gap.

Table 1 Conceptual models

<table>
<thead>
<tr>
<th>Factors</th>
<th>Employees’ perceptions of societal gender inequality (Paper 1)</th>
<th>Employees’ perceptions of workplace gender inequality (Paper 1)</th>
<th>Individuals’ perceptions of overall gender inequality (Paper 2)</th>
<th>Individuals’ perceptions of gender pay gap (Paper 3)</th>
</tr>
</thead>
<tbody>
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As depicted in Table 1, different factors were suggested to have an impact on individuals’ and employees’ perceptions of gender inequality and the gender pay gap. I describe all these factors thoroughly below.
Gender: in all three papers, I propose that gender might have an effect on individuals’ and employees’ perceptions of gender inequality and the gender pay gap. The gender socialization perspective (Stockard, 1999) offers some explanations on why women tend to perceive gender inequality to a greater extent than men. Men and women may differ in their perceptions due to their differential roles and positions in organizations (Borchorst and Siim, 2008). Many women have to demonstrate that they possess the same required skills and qualifications as men. Women thus continue to experience differential and selective treatment at work based on their gender since the interests of those in more powerful positions in organizations are represented more forcefully than the interests of the less powerful, who are more likely to be women (Bridges and Nelson, 1989).

Women might also perceive gender inequality to a greater extent than men as a consequence of the 'confirmatory bias' phenomenon, which relates to the tendency to see things that we expect to see. That is, if a person expects to see gender inequality in his/her workplace, unless he/she has objective evidence to indicate it, he/she will be likely to perceive it. If this is so, then individuals’ perceptions of gender inequality may be a result of expected and not necessarily experienced injustice. Shapiro and Kirkman (2001) referred to this tendency as 'anticipatory justice' meaning that those who anticipate injustice are more likely than those who do not see injustice. Similarly, Sanchez and Brock (1996) argued that minorities who expect workplace discrimination, based on a history of it or some negative work experience, are more likely to perceive discrimination than those who do not have this expectation.

To sum up, in line with the gender socialization perspective and anticipatory justice model, it is suggested that those individuals who are disadvantaged by the distribution of opportunities, treatment, and conditions are likely to perceive gender inequality to a greater extent than those individuals who are not disadvantaged. Since in most cases the disadvantaged individuals are women, gender is expected to have an impact on their perceptions in a way that women will be likely to perceive gender inequality to a greater extent than men.

However a notion of contraction may occur (see subsection 2.4.2). Although academic research suggests that women tend to perceive gender inequality to a greater extent than men, they may lack access to informal communication networks that men often possess to obtain knowledge about pay including pay raises, bonuses and promotions (Powell and Mainiero, 1992). Women have to rely more on formal procedures and systems to obtain organizational outcomes due to a history of gender discrimination and gender-role stereotyping that has excluded them from fair decision-making process (Powell and Mainiero, 1992). In addition, men have been socialized to achieve satisfaction from outcomes such as pay and knowledge about it, while women have been socialized to achieve satisfaction from the process of interacting and the procedural system in general rather than being keen on the access to pay information (Sweeney and McFarlin, 1997; Lee and Farh, 1999).

Thus, based on the gender socialization perspective, I propose that although women are often under-rewarded, they are less sensitive towards the gender pay gap than men due to men’s higher level of obtained knowledge about pay of others. This tendency occurs since men are more likely to compare themselves with other men and women working in similar
positions outside the organization than women do. Since men tend to be more outcome oriented and women more process oriented, women are expected to perceive the gender pay gap to a lesser extent than men.

**Sector gender composition:** according to the *gender socialization perspective*, sector gender composition might also be one of the factors maintaining differential treatment of men and women. While in gender-balanced groups gender-based differences are less salient, in work environments dominated by men or by women, differences between genders become more salient (Gutek and Morasch, 1982; Kanter, 1977). Working in an environment with disproportional representation of women affects women’s gender identity so that gender roles become more stereotypical (Ely, 1995). This statement goes along with the empirical research of Ngo, Foley, Wong and Loi (2003), who claimed that in male/female-concentrated sectors men and women tend to perpetuate their gender-role stereotyping, thus possible cases of unfair treatment become more visible and more discussed. Following this line of argumentation, employees, who are employed in organizations within a male/female-concentrated sector, are suggested to perceive gender inequality to a greater extent than those who are employed in gender-neutral organizations.

A possible explanation of how sector gender composition can influence individuals’ perceptions of the gender pay gap is based on *expectancy theory* (Vroom, 1964). According to the theory, changes in perception are likely to affect the motivation to perform as well as create feelings of inequality. The theory describes the value of the reward, the performance-reward connection and the performance-effort connection. The value of the reward, financial compensation in this case, appears to have been risen for women recently (Judge and Livingston, 2008). In the past, there was a tendency to undervalue performance-reward connections in female-concentrated sectors. As women started moving into male-concentrated sectors, the performance-reward connection became more comprehensive, but there are still some female-concentrated sectors where the establishment of the performance-reward connection is at the very beginning. The performance-effort connection is also uncertain in many female-concentrated sectors. Many women are reluctant to ask for the salary they are supposed to in female-concentrated sectors and are satisfied with less salary than men (Lange, 2008). Since lower pay is perceived as more reasonable in female-concentrated sectors, individuals in female-concentrated sectors are expected to perceive the gender pay gap to a lesser extent than individuals in male-concentrated sectors.

**Age:** according to Shapiro’s and Kirkman’s (2001) *anticipatory injustice model*, people’s perceptions match their schemata, which are based on their prior experience. The older is an individual, the more experience he/she obtains, the more is the likelihood that he/she has experienced injustice and, thus, continually sees it. In contrast, the younger is an individual, the less experience he/she has, the less formed opinions he/she possesses, and the less is the likelihood that he/she will perceive gender inequality. Consequently, age is suggested to have an impact on individuals’ and employees’ perceptions of gender inequality. Older individuals/employees are proposed to perceive gender inequality to a greater extent than younger ones.

**Marital status:** *relative deprivation theory* (Crosby, 1982) might be useful in understanding why gender inequality is not necessarily perceived of the same importance by
married individuals as by unmarried ones. Relative deprivation theory claims that a married individual may differ from an unmarried one in the relative value he/she places on various outcomes and characteristics of his/her marriage. According to the theory, while married individuals tend to value stability and harmony in their relationships, unmarried individuals are likely to appreciate more independence and autonomy. In addition, some empirical evidence has shown that married and cohabiting individuals may be less critical towards gender inequality than those who are not married (Cohen and Korchmeyer, 1995; Davis and Robinson, 1991).

In many cases people may believe that female married employees are supported financially by their spouses and this, in turn, may be used to legitimate offering them lower salaries (Winslow-Bowe, 2009). In contrast, male married employees are likely to be given greater responsibility, promotion, relocation opportunity and salary based on the assumption that they have families to care for (Winslow-Bowe, 2009). In other words, if a wife’s salary is believed to be a secondary income and a husband is expected to earn more than a wife, then it is not surprising that both members of a family consider that husband’s salary should be higher than wife’s. Consequently, based on relative deprivation theory, married individuals/employees are suggested to perceive both gender inequality and the gender pay gap to a lesser extent than unmarried ones.

**Occupational categorization:** occupational socialization theory (Smith and Rogers, 2000) claims that people are socialized within the work environment through training, organizational culture, and workplace rewards. Employed people might thus be more socialized and more conscious of cases where male and female employees are treated differently while performing similarly than, for example, students (Judge and Livingston, 2008; Paul, 2006). In contrast, students tend to have little experience of working life or no data about such cases so they are less likely to be conscious of gender inequality than employees. Based on occupational socialization theory, retired people might be suggested to perceive gender inequality to a greater extent than employed people and students because they have more experience and are more likely to have witnessed or heard about cases, which involve persistence of gender inequality.

**Reconciliation of work and family:** according to role-balance theory (Marks and MacDermid, 1996), individuals seek full and meaningful experiences in their work and family lives. The theory claims that in order to achieve balance, one should distribute his/her personal resources across all life roles in an ‘even-handed’ fashion, which tends to lead to a more equal engagement in work and family obligations (Carlson and Grzywacz, 2008). Nowadays, many employees face the problem of time reconciliation at both professional and private levels. Since the degree of achievement of gender equality in a workplace depends, among other issues, on the extent to which workplace policies address the issue of reconciliation of work and family (Lewis and Giulari, 2005), reconciliation policies may provide employees with the notion of workplace gender equality. It is thus suggested that the more positive is the concern of the employer towards the reconciliation of work and family, and the better is the employee’s balance between work and family, the less the employee is expected to perceive workplace gender inequality, and vice versa.
Family leave: in a similar way, based on role-balance theory, employers’ perceived attitude towards family leave is expected to have an impact on whether and to what extent employees perceive workplace gender inequality. Companies that shape the needs and rights of caregivers and care-receivers by encouraging both mothers and fathers to use their family leave benefits, are competent at promoting gender equality (Knijn and Kremer, 1997). Accordingly, if employees perceive that their employers support them taking family leave, especially so that fathers can take parental leave to the same extent as mothers, employees are likely to perceive workplace gender inequality to a lesser extent than those employees whose employers’ attitude towards family leave is less encouraging.

Pay expectations: pay expectations can have an impact on the way individuals perceive the gender pay gap because individuals’ perceptions of financial rewards of others are affected by the perceptions of whether their own salaries are equal to relevant salaries of others. Pay expectations, or as economists call them – reservation wage, are determined by individual wealth, labour market opportunities, opportunity costs of work performed at home, length of employment, age, skill level and other factors. Furthermore, according to social comparison theory (Festinger, 1954), pay expectations are determined by social comparison information. Individuals look to the images and subsequently make comparisons among themselves, others and the idealized images. Several models have been introduced based on social comparison theory. One of them is the triadic model, which proposes that individuals with similar attributes and opinions are influential to each other (Suls, Martin and Wheeler, 2002). This may mean that those individuals who have low expectations are expected to compare themselves with those individuals who have similar expectations.

Individuals with low pay expectations have a tendency to believe that less pay is a reasonable pay, not only for themselves, but also for others (Jackson and Grabski, 1988). In this case, individuals with low pay expectations are expected to build their pay expectations for others based on the knowledge of other individuals with similar pay. Individuals with low pay expectations are thus expected to be less likely to consider somebody’s salary to be unreasonable when they learn about this person’s salary. Accordingly, individuals with low expectations are proposed to perceive the gender pay gap to a lesser extent than individuals with high pay expectations.

Perceived pay fairness: perceived pay fairness is a function of the difference between an estimated pay level and what an individual thinks his/her pay should be (Heneman, 1985). According to equity theory (Adam, 1965), there are general differences in the importance individuals attach to pay fairness. According to the theory, individuals, who perceive themselves as under-rewarded, experience distress and inequity. The greater the inequity, the more distress individuals feel and the more they attach attention towards pay injustice (Walster, Traupmann and Walster, 1978). In fact, individuals who perceive less pay fairness than others may be less satisfied with their work in general, and, as a result, they might perceive the gender pay gap to a greater extent than individuals who perceive more pay fairness. Accordingly, perceived pay fairness is expected to influence individuals’ perceptions of the gender pay gap so that the more an individual perceives pay fairness, the less he/she is concerned about pay inequalities, and the less he/she perceives the gender pay gap.
**Occupational status:** occupational status might also have an impact on individuals’ perceptions of the gender pay gap. According to *social dominance theory* (Sidanius and Pratto, 1999), individuals are motivated to believe that they live in a world where everyone gets what he/she deserves. Hence, the fact that individuals in high and moderate-status occupations get higher financial rewards than individuals in low-status occupations is a reflection of effort and is justified (Rosette and Thompson, 2005). Accordingly, individuals in moderate and high-status occupations are expected to possess higher standards of what forms a reasonable reward than individuals in low-status occupations and, thus, perceive pay inequalities and the gender pay gap, in particular, to a lesser extent than individuals in low-status occupations.

All the above-mentioned factors, which suggest having an impact on individuals’ and employees’ perceptions of gender inequality and/or the gender pay gap, have theoretical grounding. However, this thesis also includes the factors, which were not under investigation in the previous studies related to the topic.

**Education:** individuals who are more educated are likely to be more critical of the traditional labour segregation where women’s work is considered to be less valuable than men’s. It might be so because highly educated people may have a tendency to adjust their attitudes on the basis of evidence they come across rather than on historical and traditional norms (Judge and Livingston, 2008). Further, individuals with high education are likely to have more knowledge and are, thus, more aware of gender inequality and of the gender pay gap than individuals/employees with lower education (Davis and Robinson, 1991). Education is thus suggested to influence individuals’ and employees’ perceptions of gender inequality and the gender pay gap so that individuals/employees with high education will perceive both gender inequality and the gap to a greater extent than individuals/employees with basic or secondary education.

**Living area:** in many rural areas, the work of women is labeled as ‘unskilled’ and the work of men is defined as ‘skilled’ even if the tasks require similar and equal skills (Shunfeng and Aimin, 2006). Women are thus perceived as having lesser ability leading to a situation where men get better salary and treatment than women with the same abilities. Furthermore, home-based and unwaged work done by women is often undervalued in rural areas, while work of men is more ‘visible’ in terms of monetary and physical terms (Shunfeng and Aimin, 2006). It might thus be suggested that gender inequality persists more in rural rather than in urban areas. Therefore, living area is expected to have an impact on individuals’/employees’ perceptions of gender inequality in a way that individuals/employees living in urban areas will perceive it to a lesser extent than individuals/employees living in rural areas.

**Harassment:** there is growing evidence that experiences and awareness of harassment contribute to social inequalities, including gender inequality (Walby, 2004). Harassment has been empirically found to be associated with a range of negative personal and organizational consequences such as poor health, lower job satisfaction, and depression of employees, whilst organizations can experience higher absenteeism, higher turnover, and lower productivity (Mikkelsen and Einarsen, 2002). Experience of harassment can also decrease employee’s employment status, hours worked as well as increase their perceptions of gender inequality since psychological harassment is strongly related to gender inequality (Salin,
Thus, employees, who experience either psychological or sexual harassment or both, are expected to pay more attention to injustices and, thus, to perceive gender inequality to a greater extent than those ones who do not experience it.

**Gender role orientation:** gender role orientation may determine the way the gender pay gap is perceived. Gender role orientation is defined as the beliefs that individuals hold about the proper roles for men and women at work and at home (Judge and Livingston, 2008). Gender role orientation can be either traditional or egalitarian. Traditional conceptions of gender role orientation suggest that men specialize in the market work and build their careers with support from families, who provide them with confidence, while women prioritize their family life and think about career only afterwards. Alternatively, egalitarian gender role orientation allows flexibility for both men and women with the intention of managing their market and domestic household duties by relaxing the gendered separation of work and family (Judge and Livingston, 2008).

Individuals holding traditional gender role orientation are expected to follow a traditional division of labour preserving power and superior privilege held by men. They are expected to be less concerned about the gender pay gap. Conversely, individuals with egalitarian gender role orientation are expected to perceive the gender pay to a greater extent than others because they are more likely to adjust their attitudes on the basis of evidence they receive rather than on traditional conceptions (Duehr and Bono, 2006). Accordingly, individuals holding traditional gender role orientation are suggested to perceive the gender pay gap to a lesser extent than members of those groups who possess egalitarian gender role orientation.

To sum up, in this subsection, I have discussed whether and to what extent individuals and employees perceive gender inequality and the gender pay gap to exist. I also depicted factors which might be related to their perceptions. I will turn to the question of how male and female employees react to pay inequity in the following subsection.

### 2.5. Reactions to pay inequity

Previous studies have come to somewhat inconsistent conclusions regarding the question of how male and female employees react to pay differences (Graham and Welbourne, 1999). The gender literature has also been puzzled with the question of why, even though female employees tend to earn less than their comparable male counterparts, they continue to be committed to their organizations to the same or even higher degree than their male colleagues (Balkin and Gomez-Mejia, 2002; Clark, 1997; Crosby, 1982; Jackson and Grabski, 1988).

Several social psychological explanations have been offered to explain this tendency. First of all, social comparison theory (Festinger, 1954) explains how individuals evaluate their own opinions and outcomes by comparing themselves with others. Individuals look to the images described by others and subsequently make comparisons among themselves, others, and idealized images. The theory proposes that men and women have a tendency to use different pay comparisons than men so that women are likely to compare their rewards with the rewards of other female employees who have similar education, tenure, and other factors,
rather than with those of men. Since women tend to be paid less than men, they are likely to base their outcome explanations on, and evaluate the fairness of their outcomes against, a lower social comparison standard than do men (Major and Konar, 1984).

Differences in pay expectations may also determine why gender plays a crucial role in reactions to pay inequity. According to social comparison theory, individuals with similar attributes and opinions are relevant to each other and are, thus, influential to each other (Suls et al., 2002). This may mean that those individuals who have low pay expectations are expected to compare themselves with those individuals who have similar pay expectations (Jackson and Grabski, 1988). In a similar manner, employees with low pay expectations tend to build their pay expectations for others based on the knowledge of other employees with similar pay (Balkin and Gomez-Mejia, 2002).

Empirical evidence suggests that female employees tend to have lower pay expectations than their male colleagues. Sweeny and McFarlin (1997) demonstrated that women tend to under-reward themselves and act more generously toward their co-workers than do their male counterparts. Keaveny and Inderrieden (2000) found also that female employees continue to report that they deserve lower levels of pay than their male counterparts. Furthermore, Gerhart and Rynes (2003) proposed that many female employees consistently perceive lower amounts of pay as fair than their male counterparts. Both Heckert et al. (2002) and Keaveny et al. (2007) showed that female employees have lower pay expectations than their male counterparts at both career-entry and career peak, even after taking into account their length of career and other career-related factors.

Another explanation to gender differences in reactions to injustice comes from the gender socialization perspective. Men and women act the way they do in part because of gender socialization (Parsons and Bales, 1956). Several theories including social learning, gender schema, and psychoanalytic theories have attempted to clarify the process of gender socialization (Stockard, 1999). All these theories share the assumption that gender socialization leads to a construction of a society where individuals are put into certain social roles. Based on the gender socialization, men and women receive positive reinforcement when they behave in ways ‘appropriate’ to their gender while receiving negative reinforcement for behaving like the opposite gender (Smith and Rogers, 2000). Furthermore, due to gender socialization, men and women obtain differential roles and positions in organizations. The same treatment is perceived as fair by one gender and as unequally by the other based on how one is socialized (Ngo et al., 2003).

In line with gender socialization, Powell and Mainiero (1992) argued that female employees may lack access to informal communication networks that their male colleagues often possess to obtain knowledge about pay including pay raises, bonuses and promotions. Female employees are thus likely to rely mainly on formal procedures and mechanisms. Furthermore, Sweeny and McFarlin (1997) proposed that female employees tend to be socialized to be more sensitive to and interested in relationships with co-workers than male employees. According to these scholars, female employees are likely to rely more on formal procedures and systems to obtain organizational outcomes due to a history of gender discrimination and sex-role stereotyping that has excluded them from fair decision-making process. Furthermore, both Sweeny and McFarlin (1997) and Lee and Farh (1999) suggested
that male employees have been socialized to achieve satisfaction from outcomes such as pay and knowledge about it, while female employees have been socialized to achieve satisfaction from the process of interacting and the procedural system in general rather than being keen on the knowledge of pay.

Based on social comparison theory and the gender socialization perspective, I thus propose that although female employees are often under-rewarded, they might perceive pay inequity to a lesser extent than their male counterparts due to differences in gender socialization.
3 METHODS

In the previous chapter, I explained why this thesis is mainly based on the ideas of liberal feminist theory. I also described individuals' and employees' perceptions of gender inequality and the gender pay gap and factors, which might have an impact on those perceptions. I concluded the chapter by illustrating why male and female employees may react differently to pay inequity.

I start this chapter by explaining why survey technique and quantitative methods were chosen for this thesis. I then proceed to the description of the data. The thesis consists of four papers. Two of them are based on the data of the Finnish Gender Equality Barometer 2008, which were conducted by the Finnish Ministry of Social Affairs and Health together with Statistics Finland. I will here describe validity, reliability, and the construction of the key variables of this unique data set. My third paper is conceptual. The last thesis paper is based on Finnish university, which were collected by Aino Tenhiälä (previously Salimäki) through web-based questionnaires in February 2007. Validity, reliability, and the design of the main variables of these sets of data are described in the last subsection of the methods chapter.

3.1 Survey technique and quantitative method

A methodology is a theory of how research is done or should be carried out (Harding, 1987). It responds to ontological and epistemological assumptions of the research. A method is a technique for gathering evidence (Harding, 1987). In terms of methodology, a positivist approach is employed in this thesis. In terms of method, survey technique, and quantitative research analysis are applied in this thesis.

Some scholars consider that by applying quantitative methods, researchers count people as numbers and neglect contextualized lives in which they live (e.g., Marecek, Fine and Kidder, 1997). However, in my opinion, quantitative method may provide an opportunity to conduct the research in a convincing and influential manner for both gender and nongender researchers as well as to communicate gender related issues to the general audience in a simple, easily comprehensive way. In addition, this thesis aims at exploring whether and to what extent gender inequality and the gender pay gap are perceived by Finnish individuals and employees to exist. Previous Gender Equality Barometers (Melkas, 1999, 2002, 2005) have shown that the Finnish women perceive gender inequality more than men. I aim at enlarging these results by studying magnitude/extent to which women, in general, and female employees, in particular, perceive gender inequality in comparison with men in general and male and female employees in particular. This may result in some additional policy recommendation directing towards advancement of male and female employees.

One of the objectives of the thesis is to identify factors associated with the way individuals and employees perceive gender inequality and the gender pay gap. Quantitative methods are known to be helpful in measuring the experiences and perceptions of large numbers of individuals (Miner-Rubino and Jayaratne, 2007). These methods are helpful in identifying relationships that may be difficult to find when using other research methods. Further, since
I intend to generalize my findings and promote gender social change to the general public, I consider quantitative methods to be applicable for this thesis.

3.2. The Gender Equality Barometer

In Finland, the Ministry of Social Affairs and Health is in charge of gender equality. The Ministry prepares legislation, monitors the situation of gender equality nationwide, coordinates the development of activities on gender equality, and promotes the implementation of the objectives of the government’s equality policy. Since 1998, every four years the Ministry, together with Statistics Finland, has conducted and published the Equality Barometer. A Barometer observes the state of gender equality in Finland and examines men’s and women’s opinions and attitudes concerning it.

One of the main aims of the thesis is to examine how individuals with different backgrounds and employees from different workplaces perceive gender inequality. More specifically, some of the objectives of the thesis are to analyze whether, and to what extent, individuals and employees perceive gender inequality to exist in their own workplaces and in society, and to identify factors that explain individuals’ and employees’ perceptions of gender inequality in their own workplace and in society. The Finnish Gender Equality Barometer thus perfectly matches the above-mentioned aims and objectives of the thesis.

I was granted an opportunity to use the data of the Finnish Gender Equality Barometer 2008 (2008 Barometer) for the purpose of conducting my doctoral dissertation and publishing articles in academic journals. The description of this data set and the summary of the previous Barometers are presented below.

A key perspective in all the Barometers is the examination of changes that have taken place during the past decade in Finland (Nieminen, 2009). Based on the summary of the Barometers (Nieminen, 2009), I would like to highlight the following result of the Barometers among others:

- Neither women nor men view the position of women and women in society as equal.
- While the majority of wage and salary earners find that gender equality at work is realized well or fairly well, women still experience their gender as much more of a disadvantage at work than men do (mostly visible in questions related to pay, recognition of professional skill, and career advancement).
- Increased experience of gender related disadvantages at work and increased sexual harassment among highly educated women.
- The father’s role in the family has strengthened.
- Both women and men feel they can influence decisions made within their family.

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• Securing the family’s financial security is now seen more as a responsibility to be shared by the parents than it previously was.

• The main responsibility for most domestic tasks continues to lie with the mother, and the majority of women still feel they have too much responsibility for the work done at home.

• Both women and men consider that fathers should be more involved than now in the care and upbringing of their children. Workplaces may still regard the use of statutory family leaves as the right of women rather than men.

Two papers of this thesis apply data of the Gender Equality Barometer 2008, which started with questions about general opinions and attitudes that affect the whole of society and moves on to the respondents’ own experiences and attitudes towards equality in their workplace or study environment. Furthermore, the reconciliation of work and family and personal experiences of the division of work and decision-making were the topics of questions. Finally, the experiences of improper treatment and sexual harassment were examined.

The data for the 2008 Barometer were collected through telephone interviews conducted from January until March of 2008. One of the main advantages of telephone interviews is the absence of the interviewer which may reduce the impact on the way the respondent answers (Webster, 1997).

The 2008 Barometer was conducted with a representative sample of the Finnish population, which consisted of approximately 2,500 individuals of a larger population aged 15-74. The response rate was very high: 64%. The 2008 Barometer distinguished three essential types of population: full and part-time employees, full and part-time entrepreneurs or self-employed persons, and full-time students. The final sample size for the first paper was 610/606 employees (perceptions of societal gender inequality/perceptions of workplace gender inequality). The final sample size for the second thesis paper was 1583 individuals (perceptions of overall gender inequality).

3.2.1. Data validity and reliability

Validity and reliability are the main concepts when evaluating the quality of empirical research. Four tests are commonly applied when evaluating the quality of research design, namely construct validity, internal validity, external validity, and reliability (Yin, 2003). External validity concerns the extent to which the findings of a study can be generalized beyond Finland (Bryman and Bell, 2003). Since some aspects of the research context are unique, it may be difficult to fully differentiate between universal and context-specific phenomena which may cause a potential threat to the external validity of this research.

Internal validity refers to the issues of causality, meaning how certain it is that the independent variable is causing variation in the dependent variable (Bryman and Bell, 2003). The response rate of 64% shows the data’s high internal validity. In addition, Statistics of Finland made a significant effort to certify its internal validity by adequate variation in observations and respondents’ characteristics:
• sector (public, local government, private),
• sector gender composition (male-concentrated, female-concentrated, gender-neutral),
• occupational categorization (students, employees, entrepreneurs, retired people),
• employment hierarchy (supervisory or management position, upper level white-collar employee, lower-level white-collar employee, worker),
• employment contract (full-time, part-time),
• employment relationship (permanent, fixed-term, temporary).

Common method bias refers to the difference between examined and actual relationships among constructs. This bias is caused by the use of single respondents, meaning that the same respondent, who answer the questions, are applied to create both dependent and independent variables (Podsakoff, MacKenzie, Lee, and Podsakoff, 2003). All results were subject to the possibility of common method bias. This is one of the major methodological limitations of applying secondary data for this thesis.

Construct validity concerns the question of whether a construct actually reflects the concept that it was designed to reflect (Bryman and Bell, 2003). Although the constructs used in the 2008 Barometer were not adopted from existing, validated operationalizations, experts from many professions have contributed to the data content of the 2008 Barometer. Furthermore, the same measures were applied in the previous Barometers of 1998, 2001 and 2004. However, it is indeed preferable to use academically proven variables when conducting a thesis.

Reliability concerns the stability and consistency of the measure, meaning the extent to which the research is repeatable (Bryman and Bell, 2003). As mentioned in the previous paragraph, same measures were applied in the 2008 Barometer as in the previous Barometers. This proves the stability and consistency of the measures. Yet, it is vital to acknowledge that Cronbach’s alpha of some constructs was lower than .70.

3.2.2. Key operationalisation

The first thesis paper concentrates particularly on employees’ perceptions. This paper aims at emphasizing the peculiarity that far more employees perceive gender inequality in the society in general than in their workplaces. For this purpose, the first thesis paper makes a distinction between employees' perceptions of gender inequality in society ('Perceptions of Societal Gender Inequality') and in their own workplaces in particular ('Perceptions of Workplace Gender Inequality').

‘Perceptions of Societal Gender Inequality’ were measured by a two-item index. While the first item measures status of men and women in society, the second one measures their opportunities. The correlation between the items was .404** (2-tailed), which is significant at the 0.01 level. Firstly, respondents were asked: (a) ‘if we assess quite generally the status
of men and women in Finland today, which of the following statements best corresponds to your own view'. Response categories for the item were (1) the status of men in society is on average clearly higher than that of women; (2) the status of men in society is on average slightly higher than that of women; (3) men and women are equal. Secondly, the respondents were asked whether: (b) ‘women’s opportunities in working life are as good as men’s’. Response categories for the item were from 1 = fully agree to 4 = fully disagree.

‘Perceptions of Workplace Gender Inequality’ were measured by a one-item index. This item measures both status and opportunities of men and women in their workplaces in one question. Respondents were asked: (c) ‘is gender equality realized at your workplace?’ Response categories were from 1 = very well to 5 = very badly.

While the first dependent variable was measured by a two-item scale and the second one by a one-item scale, both variables were comparable and parallel; they both observed status and opportunities of Finnish employees related to gender inequality. Since the scales for the dependent variables were different, they were standardized.

In the second thesis paper, the dependent variable ‘Perceptions of Overall Gender Inequality’ was measured by questions concerning individuals’ perceptions of gender inequality not only in family, but also in business, economy, and politics in order to obtain a comprehensive measure of individuals’ perception of overall gender inequality. Based on other country-specific surveys (Day and Devlin, 1998; Fortin, 2005, Guiso, Sapienza and Zingales, 2003; Vella, 1994) that ask similar questions, questions for the following study were developed. A factor analysis also revealed that out of the thirteen perception items measuring the general status of men and women in Finland the depicted seven items were distinct dimensions of perceptions of overall gender inequality (Table 2, Factor 1). Response categories were from 1 = fully agree to 4 = fully disagree.

For the following study neither employees’ perceptions concerning family’s income and its sources (Factor 2) nor questions about equal working conditions for men and women in Finland (Factor 3) were examined since the study aimed at analyzing only perceptions of employees concerning overall gender inequality. However, in future all set of factors are planned to be examined in order to provide a broader picture of the general status of men and women in Finland.

A number of independent variables were included into the first two papers. They include gender, age, marital status, education, living area, sexual harassment, psychological harassment, sector gender composition, reconciliation of work and family, family leave for male employees, family leave for female employees, employment sector, employment position, employment contract, employment relationship, requests for pay increase, and occupational categorization. The description of these independent variables are provided in papers 1 and 2 (see Appendixes 1 and 2).
### Table 2  Factor analysis results for perception items

<table>
<thead>
<tr>
<th>Questions</th>
<th>Factor 1 (Perceptions of overall gender inequality)</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women should play a more active role in politics to diversify the range</td>
<td>.722</td>
<td>-.071</td>
<td>.054</td>
</tr>
<tr>
<td>of political expertise?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business and the economy would benefit from more women in leading</td>
<td>.718</td>
<td>-.055</td>
<td>-.009</td>
</tr>
<tr>
<td>positions than at present?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More women should be employed in social and health care services</td>
<td>.466</td>
<td>-.009</td>
<td>-.070</td>
</tr>
<tr>
<td>than at present?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women’s opportunities in working life are as good as men’s</td>
<td>-.230</td>
<td>-.021</td>
<td>.504</td>
</tr>
<tr>
<td>And what do you think of this statement: Married women are fully</td>
<td>.124</td>
<td>-.569</td>
<td>.160</td>
</tr>
<tr>
<td>entitled to go to work irrespective of their family situation?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men bear the primary responsibility for their family’s income?</td>
<td>-.073</td>
<td>.726</td>
<td>-.036</td>
</tr>
<tr>
<td>It is justified that the partner with the lowest income should do a</td>
<td>.021</td>
<td>.707</td>
<td>.243</td>
</tr>
<tr>
<td>greater share of the housework?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men should participate more in the care and upbringing of their children</td>
<td>.475</td>
<td>.119</td>
<td>-.177</td>
</tr>
<tr>
<td>than they do at present?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men are sufficiently encouraged at the workplace to use child care leaves?</td>
<td>.106</td>
<td>.021</td>
<td>.713</td>
</tr>
<tr>
<td>Labour market organizations should be more active in eliminating</td>
<td>.484</td>
<td>-.222</td>
<td>-.325</td>
</tr>
<tr>
<td>unjustified differences in pay between women and men?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The employer costs incurred when employees take different forms of</td>
<td>.483</td>
<td>-.078</td>
<td>-.458</td>
</tr>
<tr>
<td>family leave should be distributed more evenly between the female- and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>male-dominated sectors?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men will also benefit from an increase in gender equality?</td>
<td>.531</td>
<td>-.213</td>
<td>-.020</td>
</tr>
<tr>
<td>Workplace equality plans are of no value in promoting equality</td>
<td>-.056</td>
<td>-.028</td>
<td>.462</td>
</tr>
<tr>
<td>between women and men?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eigen value</td>
<td>2.694</td>
<td>1.342</td>
<td>1.176</td>
</tr>
<tr>
<td>Percentage of variance explained</td>
<td>20.727</td>
<td>10.322</td>
<td>9.044</td>
</tr>
<tr>
<td>Cumulative percentage of variance explained</td>
<td>20.727</td>
<td>31.049</td>
<td>40.094</td>
</tr>
</tbody>
</table>

Varimax rotation was performed. Factor loadings greater than .46 are shown in bold.

### 3.3. Finnish university data

Data for the fourth thesis paper were gathered in February 2007 by Aino Tenhiälä through a web-based questionnaire, which was sent to a random sample of 1,000 academic and administrative personnel of two universities in Finland. The study was approved and financed by the Office for the government as Employer Representatives (Valtion työmarkkinalaitos). It follows the ethical guidelines of the researched universities. The data in this study were collected using a double-blind procedure which meant that the university management or researchers did not have access to person identifiers. The respondents were informed about this double blind procedure, data confidentiality, and anonymity. The respondents were also acknowledged that only aggregated results would be reported and published. The respondents knew that the employer representatives, who provided records-based data for the sample, would not have any access to the completed questionnaires. The survey data were accompanied with pay data from university records. The number of responses was 495, corresponding to the overall response rate of 49.5%. Due to the missing information in some of the completed questionnaires, the final sample size was 455.
Tenhiälä gathered these data primarily for conducting her PhD dissertation and publishing research articles in academic journals\(^7\). Together with Tenhiälä, I wrote a paper (thesis paper 4) where her data were applied.

**3.3.1. Data validity and reliability**

In her data collection, Tenhiälä made a considerable effort to ensure external validity of the data by sufficient variation in observations. Yet, since some aspects of the research context were unique, it may be problematic to entirely separate universal and context-specific phenomena. This may cause a possible threat to the external validity.

Next, the response rate of 49.5% represents the data’s high internal validity. However, the dependence on cross-sectional data gathered mostly from one source creates a potential threat to the degree to which causal relationships can be established between constructs. Furthermore, all results were subjected to the possibility of common method bias and did not describe changes in employee attitudes before and after the implementation of a new pay system (Salimäki, 2009).

With the aim of increasing construct validity, the variables were adopted from existing, validated operationalisations. They were thus appropriate for the operational measures. However, it is important to acknowledge that some of the survey constructs have yet to be validated in the Finnish language. Also, the research relied on employees as a source of information about their own behaviours and the effectiveness of the pay practice, which, in turn, is a threat to the studies’ construct validity.

**3.3.2. Key operationalisation**

Key variables of the last thesis paper include pay inequity and organizational commitment. Aligned with Gerhart (1990), the magnitudes of differences in current salaries of employees were examined controlling for both key supply- and demand-side factors. On the supply side, standard measures of the amount of human capital were used (i.e., job tenure, supervisory position, type of contract, and educational degree). On the demand side, job content was controlled through the use of job titles and supervisory performance appraisals. The residual of this function were used to study reactions to pay inequity. A negative value indicates that the person is receiving less than typical in the universities taking account the above mentioned demand- and supply factors. A positive value indicates that the person is getting paid more than is typical (based on individual negotiations, some other informal procedures or exceptions to the main policy).

The strength of organizational commitment was measured by three items introduced by Klein (2008). The items included: ‘how committed are you to your organization?’, ‘how dedicated are you to your organization?’, and ‘to what extent do you feel bound to the future of the organization?’ The items were measured with 5-point scale ranging from 1 = *Little if at all* to 5 = *A great extent*. The alpha coefficient was .92.

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Other researched variables included procedural justice, pay comparison, perception of access to pay information and gender as a moderating variable. The description of the measurement of those variables is provided in paper 4 (see Appendix 4).
4 SUMMARIES OF THE PAPERS

I this chapter, I concisely summarize the four thesis papers. Each of them has a specific research question and a distinctive contribution.

4.1. Paper 1: Employees’ Perceptions of Gender Inequality in Society and in Workplace

Author: Violetta Khoreva


This paper focuses only on employees’ perceptions and examines how both individual and employment factors relate to their perceptions of gender inequality. This study makes a distinction between employees’ perceptions of gender inequality in society in general and in their own workplaces in particular. The study draws on the gender socialization perspective (Stockard, 1999), anticipatory injustice model (Shapiro and Kirkman’s, 2001), relative deprivation theory (Crosby, 1982), as well as role-balance theory (Marks and MacDermid, 1996).

The empirical analysis supports earlier studies claiming that there is a belief among employees of widespread gender inequality in society in general, but not in their own workplaces. The study thus illustrates that while employees realize that there are problems in Finland concerning gender inequality as a whole, they tend not to perceive the existence of this very problem in their own lives.

The study suggests that employees’ perceptions of societal and workplace gender inequality are related to different individual and employment factors and some of those factors even have a contradictory effect on their perceptions. The finding that lower-level white-collar employees and ordinary workers perceive workplace gender inequality to a greater extent than employees in supervisory or management positions as well as upper-level white-collar employees is worth mentioning. In my opinion, the fact that gender inequality is perceived by employees in high hierarchical positions as existing somewhere else but, not in their workplace, leads to its continuous acceptance and reproduction at each level.

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8 A previous version of the paper was presented at the annual meeting of the Academy of Management, San Antonio, 12-16.8.2011.
4.2. **Paper 2: Individuals’ Perceptions of Overall Gender Inequality: Lessons from Finland**

Author: Violetta Khoreva


This paper aims at examining individuals’ perceptions of overall gender inequality. By scrutinizing theories from social psychology, such as the gender socialization perspective (Stockard, 1999), occupational socialization theory (Smith and Rogers, 2000), relative deprivation theory (Crosby, 1982), the study identifies a comprehensive list of determinants of individuals’ perceptions of overall gender inequality. The model is tested applying the data from the Finnish Gender Equality Barometer 2008, which investigates the experiences and attitudes of individuals in matters concerning gender inequality. The empirical analysis reveals that individuals’ gender, age, and occupational categorization are significant determinants of their perceptions of overall gender inequality. In addition, the results show that both employed and retired people perceive overall gender inequality to a greater extent to exist than students.

4.3. **Paper 3: Gender Pay Gap and its Perceptions**

Author: Violetta Khoreva

Conceptual paper

In spite of the growing literature concerning the gender pay gap, there is limited research about the way individuals perceive the phenomenon (Gerhart and Rynes, 2003; Judge and Livingston, 2008; Lange, 2008). However, investigating perceptions of the gender pay gap may help answering the question of why it persists and how to overcome it. This paper aims at developing a conceptual framework, which describes concrete factors that may explain individuals’ perceptions of the gender pay gap.

By analyzing social comparison (Festinger, 1954), equity (Adam, 1965), occupational socialization (Smith and Rogers, 2000), relative deprivation (Crosby, 1982), expectancy (Vroom, 1964), and social dominance (Sidanius and Pratto, 1999) theories as well as the gender socialization perspective (Stockard, 1999), this paper identifies a number of individual and organizational predictors of individuals’ perceptions of the gender pay gap. Such factors as pay expectations, gender role orientation, perceived pay fairness, gender, age, marital status, education, sector gender composition, and occupational status are proposed to be related to their perceptions.

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9 A previous version of the paper was presented at the annual meeting of the European Group of Organizational Studies, Lisbon, 28.6-3.7.2010.

4.4. Paper 4: Reactions to pay inequity and procedural injustice among male and female employees

Authors: Violetta Khoreva, Aino Tenhiälä

Data: Quantitative questionnaire data from the personnel of two Finnish universities. N = 455 employees.

In this study we contribute to the organizational justice literature by integrating social comparison theory (Festinger, 1957) and the gender socialization perspective (Stockard, 1999) into an analysis of differences by gender in reactions to the organizational injustice. We also contribute to the gender literature by seeking explanations for why even though female employees tend to earn less than their comparable male counterparts, they continue to be committed to their organizations to the same or even greater extent than their male colleagues (Clark, 1997; Crosby, 1982; Jackson and Grabski, 1988).

The empirical analysis of the article reveals that men’s organizational commitment is more strongly affected by pay inequity than women’s. This difference is in part explained by pay comparison and access to pay information. Pay comparison refers to external and internal targets, where internal targets refer to a comparison with a similar one inside of the organization, and external targets refer to a comparison with a similar one in a different organization (e.g. Greenberg, 1990; Sweeney and McFarlin, 2004). This finding suggests that female employees are socialized to be more sensitive towards organizational procedures and systems than towards pay itself. Following the gender socialization perspective, female employees are found to be less likely to know about some of pay and related issues. Alternatively, female employees are proposed to be more likely to rely on procedures and systems in order to gain organizational outcomes due to a history of discrimination and gender-role stereotyping (Sweeney and McFarlin, 1997).

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11 A previous version of the paper was presented at the annual meeting of the Academy of Management, San Antonio, 12-16.8.2011.
5 DISCUSSION

This chapter starts with a description of the thesis’ main findings and its theoretical contributions. Managerial and policy implications are then presented. The chapter is concluded by presenting limitations of the thesis and directions for future research.

5.1. Findings and theoretical contributions

The question of gender equality has never been a simple question of pure numbers. It is also about meanings, perceptions, identity struggles and power distribution. The main purpose of this thesis was to broaden our understanding of the perceptions of gender inequality and the gender pay gap since these issues have not received much attention in previous research. By means of the data from the Finnish Gender Equality Barometer 2008 and Finnish university data, I intended to examine how individuals and employees with various backgrounds perceive gender inequality, the gender pay gap, and react to pay inequity.

In the thesis, I used three different ways of theorizing. Firstly, I applied liberal feminist theory in order to theorize gender inequality. Based on the main assumption of liberal feminist theory, I conceived gender inequality as socially constructed differences between men and women in the society, by which women continue to experience unequal treatment. I saw the solution for overcoming gender inequality in the strategy of equal opportunities.

Secondly, I illuminated three social psychological theories in order to theorize perceptions of gender inequality. These theories were cognitive dissonance, attribution, and sociometer theories. These theories are common in suggesting that people tend to perceive gender inequality in society in general to a greater extent than in their workplaces.

Thirdly, to the best of my knowledge, there is no single theory, which I would be able to identify and thoroughly explain factors, which have an impact on people’s perceptions of gender inequality and the gender pay gap. I thus applied multiple theoretical perspectives with the intention of identifying the factors, which can explain people’s propensity to perceive gender inequality and the gender pay gap. These theoretical perspectives include gender socialization perspective, expectancy theory, anticipatory injustice model, relative deprivation theory, occupational socialization theory, role-balance theory, equity theory, and social dominance theory. Although these theories and perspectives are unique and explain different phenomena from different angles, they all refer to the process whereby people socialize by learning the process of knowledge and skills necessary to assume their organizational and social roles.

Furthermore, in order to enlighten why, even though female employees tend to earn less than their comparable male counterparts, they continue to be committed to their organizations to the same or even higher degree than their male colleagues, I applied social comparison theory and the gender socialization perspective.

In the following subsections, 5.1.1, 5.1.2, and 5.1.3, I will describe which theories and perspectives were supported. More concretely, the findings and contributions of the thesis in
regard to the first two research objectives, which are addressed in papers 1 and 2, are presented in section 5.1.1. The findings and contributions in connection with the third research objective, which is delivered in paper 3, are discussed in section 5.1.2. Finally, the findings and contributions responding to the last objective, which is examined in the last paper 4, are addressed in the subsequent section 5.1.3.

5.1.1. Gender inequality and its perceptions

The first objective of the thesis was to analyze whether and to what extent individuals and employees perceive gender inequality to exist in their own workplace and in society. This objective was addressed in the first two papers. The first paper showed that far more employees perceived gender inequality in the society in general rather than in their own workplaces, which means that while employees realize that there are problems in Finnish society concerning gender inequality as a whole, they tend not to perceive the existence of this very problem in their own workplaces. This finding goes along with the statement of Jackson and Grabski (1988: 623) that employees may ‘restore psychological equity in the face of actual inequities, which they may view as beyond their power to redress’. It also supports the argumentation of Acker (2006a: 452) that since the practices that maintain workplace gender equality are perceived as ‘something that is beside the point of the organization’, they are difficult to see.

The thesis thus provides new evidence that there is a dominant perception that there is no inequality between men and women in organizations. This finding goes along with the statement of Benschop and Doorewaard (1998), that, in most organizations, there is a culture expressed in norms, values, and notions on what is right and wrong, emphasizing the existence of gender equality. This dominant perception of equality is based on a specific conception of equality, which is strictly formal and calls for the identical treatment of all people, disregarding the circumstances. In contrast, a substantial conception of equality may leave some room for unequal treatment in unequal situations, and would take differences between employees into consideration. This leads to a conclusion that the organizational culture of most companies continues to give a priority to equal opportunities rather than the recognition of unequal practices.

The finding that employed and retired people perceived overall gender inequality to a greater extent than others is also worth mentioning. To the best of my knowledge, none of the previous studies included occupational categorization as a factor predicting individuals’ opinions concerning gender inequality. This provides a unique contribution of this thesis. In the theoretical part of the second thesis paper, I hypothesized that employed and retired people would perceive overall gender inequality to a greater extent than students. This reasoning was based on earlier empirical studies. The results of the paper showed that both employed and retired people perceived overall gender inequality to a greater extent than students. This means that labour market experience leads to greater perceptions of gender inequality among people. The finding that employed people perceived overall gender inequality to a greater extent than students might be explained by occupational socialization theory (Smith and Rogers, 2000), according to which employed people might be more
conscious of the cases where men and women are treated differently while performing similarly.

While both employed and retired people tend to be more conscious of overall gender inequality, students might face less gender inequality or they may not yet have experienced it. Davis and Robinson (1991: 73) argued that retired people may see gender inequality as meritocratic in a way that it is a result of gender differences in talent, effort, and educational diplomas rather than a result of gender discrimination. According to the scholars, since gender inequality tends to be justified for retired people, they might unconsciously accept its existence and perceive it to a lesser extent than employed people and students. This argumentation was not supported in this thesis. Instead Shapiro's and Kirkman's (2001) anticipatory injustice model was relevant. According to the model, people’s perceptions match their schemata, which are based on their prior experience. The more experience people obtain, the more is the likelihood that they have experienced injustice and, thus, continually sees it. In contrast, the less experience people have, the less formed attitudes they possess, and the less is the likelihood that they perceive overall gender inequality. Since both employed and retired people in general have more experience than students, they were found to perceive overall gender inequality to a greater extent.

Overall, the finding that employed and retired people perceived overall gender inequality to a greater extent than students calls for additional qualitative research aiming at analyzing whether people with different occupational categorization perceive gender inequality differently. Mutual understanding of the existence of gender inequality among people from different occupational categorizations might be the key to achieving gender equality.

The second thesis objective was to identify factors that explain individuals’ and employees’ perceptions of gender inequality in their own workplace and in society. This objective was addressed in the first two papers. Table 3 lists the factors found to be significantly related to individuals’ and employees’ perceptions.

Both papers illustrated that gender significantly predicted employees’ perceptions of societal and workplace gender inequality and individuals’ perceptions of overall gender inequality. Female employees perceived gender inequality to a greater extent than male employees. This finding is somewhat obvious and is in line with the gender socialization perspective (Stockard, 1999), which claims that men and women differ in their perceptions in part due to their differential roles and positions in society and organizations.

The finding that employees with full-time contracts perceived workplace gender inequality to a greater extent than employees with part-time contracts might be explained with occupational socialization theory (Smith and Rogers, 2000), according to which employees are socialized within work environment through training, organizational culture, and workplace rewards. Employees with full-time contracts socialize more within their work environments and, thus, hear more about possible cases related to gender inequality than employees with part-time contracts.
Table 3  Empirical Model

<table>
<thead>
<tr>
<th>Factors</th>
<th>Employees’ perceptions of societal gender inequality (Paper 1)</th>
<th>Employees’ perceptions of workplace gender inequality (Paper 1)</th>
<th>Individuals’ perceptions of overall gender inequality (Paper 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Age (Paper 2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Living area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational categorization (Paper 2)</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Psychological harassment (Paper 1)</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Sector gender composition (Paper 1)</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Employment sector (Paper 1, control variable)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment position (Paper 1, control variable)</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Employment contract (Paper 1, control variable)</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Employment relationship (Paper 1, control variable)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconciliation of work and family (Paper 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family leave for male employees (Paper 1)</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Family leave for female employees (Paper 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Request for pay increase (Paper 1, control variable)</td>
<td>x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It is noteworthy that employees whose employers’ attitude towards taking family leave for male employees is more positive perceived both societal and workplace gender inequality to a lesser extent than employees whose employers’ attitude towards taking family leave for male employees is less positive. It goes along with role-balance theory (Marks and MacDermid, 1996). According to the theory, when people achieve a balance between their various roles, so that both mothers and fathers are encouraged to take a family leave, perceptions of gender inequality decrease.

Although requests for pay increase were not hypothesized to have an impact on employees’ perceptions of workplace gender inequality (included as a control variable), they were significantly associated with employees’ perceptions of workplace gender inequality. The results showed that employees, who requested a pay increase, perceived workplace gender inequality to a greater extent than those employees, who did not request any pay increases. It might be so that employees, who did not request pay increases, had fewer chances to be rejected and relate this rejection to possible social inequalities, including gender inequality. In contrast, employees, who felt justified in asking for pay increase, had more chances to be rejected and relate the rejection to social inequalities, including gender inequality. However, it could be also the other way around. Those employees, who perceive the existence of workplace gender inequality, might consider themselves as not possessing a bargaining advantage (Barron, 2003; Kray, Thompson and Galinsky, 2001) or might believe that they have to work harder in order to be financially promoted, and, thus, they might be less likely to request a pay increase. Also, employees who accept their unprivileged status in
organizations might be less likely to ask for pay increases than those employees, who are not resigned with gender inequality, and, thus, do not accept it (Lockwood, 1986).

The finding that lower-level white-collar employees and ordinary workers perceive workplace gender inequality to a greater extent than employees in supervisory or management positions as well as upper-level white-collar employees constitutes one of the contributions of the thesis. To the best of my knowledge, none of the previous studies examined how employment position can have an impact on employees’ perceptions of gender inequality. I also did not expect that this dimension would have a significant influence on employees’ perceptions of gender inequality.

Several explanations are relevant in enlightening why employment position had a considerable impact on employees’ perceptions of gender inequality. The potential exists for employees in lower-level positions to acknowledge their lack of privilege and for employees in upper-level positions to obtain better treatment (Rosette and Thompson, 2005). That might be the reason why employees in upper-level positions were less conscious of workplace gender inequality than employees in lower-level positions. Similarly, the structural model of organizational behaviour (Kanter, 1977) suggests that position in the organizational hierarchy influence employees’ behaviour and perceptions. According to the model, employees in lower-level positions may attribute their disadvantages at work to structural factors and thus be more conscious of gender inequality.

This finding supports cognitive dissonance (Festinger, 1957), attribution (Weiner, 1980, 1992) and sociometer (Leary, 1999) theories, which were discussed in subsection 2.4.1. Based on the theories, this finding suggests that those employees, who are in higher hierarchical positions and who are thus privileged in organizations, are least likely to see the problem of gender inequality. In addition, employees who are in higher hierarchical positions might be responsible for possible cases of gender discrimination or benefit from gender status quo. Indeed it can be in their own interest not to respond to the suggestion that gender inequality exists in their companies and organizations.

5.1.2. Gender pay gap and its perceptions

The third objective was to identify factors that explain individuals’ perceptions of the gender pay gap. This research objective was addressed in paper 3.

A number of social psychological theories have informed this part of my argumentation. First of all, based on social comparison theory (Festinger, 1954), it can be argued that perceptions of the gender pay gap are related to the way individuals make comparisons among themselves and others. Secondly, following the argumentation of equity theory (Adam, 1965), individuals who perceive themselves as under-rewarded and attach more attention towards pay injustice can be expected to perceive the gender pay gap to a greater extent than others. Furthermore, in line with the gender socialization perspective (Stockard, 1999), men and women are likely to be socialized to perceive different organizational rewards as equal and vice versa and, thus, are suggested to perceive the gender pay gap differently. In a similar line of argumentation, occupational socialization theory (Smith and Rogers, 2000)
suggests that older individuals are more socialized and, thus, are more aware of the gender pay gap than younger ones. Finally, derived from relative deprivation theory (Crosby, 1982), marital status can be expected to have an impact on individuals’ perceptions of the gap so that married individuals perceive the phenomenon to a lesser extent than unmarried ones.

In addition, based on the expectancy theory (Vroom, 1964), sector gender composition is proposed to influence the way individuals perceive the gender pay gap so that individuals in female-concentrated sectors perceive the phenomenon to a lesser extent than individuals in male-concentrated ones. Finally, drawing on social dominance theory (Sidanius and Pratto, 1999), individuals in moderate and high-status occupations are assumed to possess higher standards of what forms a reasonable reward and, thus, are suggested to perceive the gender pay gap to a lesser extent than individuals in low-status occupations.

All in all, such individual factors as pay expectations, gender role orientation, perceived pay fairness, gender, age, marital status, and education are likely to have an impact on individuals’ perceptions of the gender pay gap. Also such employment factors as sector gender composition and occupational status are suggested to be related to individuals’ perceptions of the gender pay gap.

5.1.3. Pay inequity and reactions to it

“One man is not any better than another, not because they are equal, but because ... there is no term of comparison.”

Lawrence (1921)

The last objective of the thesis was to analyze how employees react to pay inequity. This objective was addressed in the fourth paper.

The results of the this paper supported the hypotheses based on social comparison theory (Festinger, 1954) and the gender socialization perspective (Stockard, 1999) that male employees are more sensitive towards pay inequity by demonstrating a lower level of organizational commitment than their female counterparts. Comparing underpayment and overpayment conditions in these organizations, the higher the level of pay inequity, the less committed to the organization male employees were. This finding suggests that male and female employees react differently to underpayment and overpayment conditions, and, thus, gender might act as a boundary condition for equity theory (Adam, 1965). The main principle of equity theory does not work to the same extent with male and female employees, which goes along with earlier criticism of the theory (Carrell and Dittrich, 1978; Huseman et al., 1987). The study thus provided evidence that, despite pay disparities, female employees continue to be highly committed towards their organizations.

The last paper also examined whether pay comparison (the degree to which respondents compare their pay to internal and external targets) and access to pay information would explain the interactive effect of gender and pay inequity on organizational commitment. The results suggested that both pay comparison and access to pay information partially mediated the interactive impact of gender and pay inequity on organizational commitment. This result contributes significantly to the area related to the topic, since, to the best of my knowledge,
none of the previous studies examined the impact of pay comparison and access to pay information on the relationship between pay inequity and organizational commitment. Following the gender socialization perspective, female employees were found to be less likely to know about some pay and related issues. In contrast, male employees were concerned about their dominant position and existing privileges in the organization; they were particularly sensitive to being treated financially fairly. As Peng et al. (2009) suggested, when these concerns are not met, male employees are likely to have a lower level of commitment to the employer, while female employees are not.

5.2. Managerial and policy implications

The findings of this thesis could be of interest for trade unions, employees’ organizations as well as managers and government officials. The following practical implications are thus worth mentioning. First of all, the thesis underlined the need for management to continue to report information about policies and procedures concerning gender inequality and the gender pay gap in line with the Government Action Plan for Gender Equality. By employing women to supervisory and leadership positions, reducing inequalities in work duties and financial outcomes, management may support promotion of gender equality and elimination of the gender pay gap. Managers may need to involve their female employees in the design of any improvement of pay systems so that female employees will have better access to pay information and have an opportunity to see how fair pay systems are implemented. Initiatives promoting reconciliation of work and family as well as family leave for both male and female employees should also be carried out since based on the results of the thesis, they have a considerable impact on the way employees perceive gender inequality. Implementation of these practices will lead to elimination of gender inequality.

A second implication is specifically directed to female employees. The results of the thesis show that some female employees continue to be underpaid. Female employees should thus keep in mind how to negotiate their salaries, ask for a higher salary than originally intended, focus on the reasons they are entitled to a certain salary, and even attend special training to learn how to demand a higher salary. Female employees should be aware of the gender pay gap and try their best not to accept such situations in the workplaces. Transparency of pay may lead to an increased perception among female employees of their monetary worth and of their bargaining advantage (Barron, 2003; Kray et al., 2001).

Thirdly, far more employees realize that there are problems related to gender inequality in the Finnish society as a whole, but tend not to perceive the existence of the same problem in their own lives. This finding leads to some skepticism concerning current Finnish gender-awareness programmes and policies promoting equality. How can organizational members support efforts to diminish gender inequality when they recognize its existence only ‘somewhere’ else, but not in their own environments, in their own workplaces, and in their own lives? Apart from gender equality planning and obligations in workplaces, policy makers should continue to struggle against employers’ and employees’ insensitivity, fear, and ignorance of gender inequality issues. Gender awareness programmes should continue to persuade both employers and employees that gender inequality is an issue which concerns each of them and each of them is responsible for solving the problem. One of the suggestions
of raising awareness about gender inequality is to increase efforts of Finnish media to discuss the concept of gender inequality and make women more aware of their rights and opportunities.

Next, the finding that employees in lower-level positions perceive workplace gender inequality to a greater extent than employees in upper-level positions is noteworthy. This finding leads to the conclusion that even though Finnish equality programmes and policies have improved positions of many female employees, many steps have to be pushed forward by making organizational members in higher hierarchical positions realize their obligations and responsibilities. At the same time, I believe that the solution for solving gender inequality and overcoming the gender pay gap lies not only in the neglect of employees in upper-level positions and glass-ceiling effect but in all of us. Each of us is responsible for these issues and each of us can gain a lot from solving them. For example, women account for a half of the potential talent base throughout the world and, therefore, nation’s competitiveness and companies’ productiveness depend considerably on whether and how it educates and exercises its female talent. In corporate life, gender equality makes it possible for an organization to make optimal use of all human resources. In addition, the current world is characterized as an extremely fast developing area, where innovation, new ideas, and projects are highly valued, and the best thoughts are born in a diverse environment. This means that companies may greatly benefit by engaging female employees into key positions. Reducing gender inequality can also play an essential role in addressing the future problems caused by ageing populations and rising pension troubles. Thus, by overcoming gender inequality, not only companies, but whole nations can prosper dramatically.

Finally, the discussion about the data of the Gender Equality Barometer 2008 should be included. By means of Finnish women’s and men’s opinions, attitudes, and experiences, the Gender Equality Barometer 2008 examined the division of labour and power between women and men, and how acceptable this division is in society in general and in workplaces in particular. The Barometer 2008 concluded that gender equality in Finland has not been achieved yet. By conducting more detailed and advanced data analysis in this thesis, I attempted to enlarge and strengthen the results of the Barometer 2008. Based on my research experience of working with these data, I consider that the continuation of the Finnish government’s production of the Gender Barometer is to be welcomed in order to monitor and observe perceptions and experiences of Finnish men and women regarding gender equality in society, workplaces, and elsewhere. This type of work is very useful for researchers, policy makers, and practitioners.

5.3. Limitations and suggestions for future research

Despite its contribution, the present thesis has a number of limitations which may lead to possible future directions of research. First of all, the empirical papers of the thesis are mainly based on cross-sectional data. The results of the thesis may not provide strong evidence of causal directions. It is reasonable to argue that various factors, such as demographical factors, for instance, are the causes of individuals’ and employees’ perceptions of gender inequality and the gender pay gap, rather than its consequences. However, longitudinal study that explores causal relationships among variables is needed to
support on the empirical findings of the present thesis and to broaden our knowledge on how
different patterns of the perceived gender inequality and the perceived gender pay gap are
interrelated. Such kind of a longitudinal study might be based on Finnish Gender Equality

Secondly, the first two papers of this thesis were based on the Gender Equality Barometer
2008, which was produced by Statistics of Finland for the Finnish Ministry of Social Affairs
and Health. These data set is an extremely rich and valuable resource. However, it has some
methodological limitations, such as a lack of validated scales, common method bias, and a
lack of theoretically and empirically approved constructs, which resulted in low Cronbach’s
alpha and low validity of some constructs.

In addition, since all empirical papers were conducted in the context of Finland, it might be
suggested that the findings cannot be generalized to all societies. As Leung (2005) noted,
there is a tendency for most social scientists to ignore social contexts in order to produce
universal knowledge. However, the difficulty of separating universal and context-specific
phenomena should be taken into account. Some theorists consider that, despite what can
look like differences in development, there is only one fundamental development process for
everyone (Kail and Cavanaugh, 2008). According to this view, differences in development
are variations on a fundamental process. The alternative view is that differences among
individuals are not simply variations on a theme (Kail and Cavanaugh, 2008). According to
this view, human development is linked with the context within which it takes place. Each
environment has its own set of unique procedures that construct the development. Indeed
the concept of gender inequality may have different meanings in various environments
(Verloo and Lombardo, 2007). So, for instance, while in some countries reconciliation of
work and family as well as family leave would be the determinants of individuals’ perceptions
of gender inequality, for others these factors would be considered as essential part of gender
equality construct. Furthermore, level of economic development and compensation
differentiation may vary considerably across countries.

Welfare state regimes may also have an impact on individuals’ and employees’ perceptions of
gender inequality and the gender pay gap. Welfare state regimes are strongly associated with
allocation of gender roles and the extent to which gender equality is achieved in the society
(Esping-Andersen, 1989). While in “corporatist” state regime, social gender roles are clearly
distinct (e.g. men are supposed to be assertive, tough, and focused on material success
whereas women are expected to be modest, tender, and concerned with the quality of life),
social gender roles overlap in “liberal” and “social democratic” regime-type states. Since in
“corporatist” welfare states, gender role differences tend to be clearly diverse, women are
likely to pursue stereotypically female roles and men are likely to continue dominating by
following traditionally male roles. Such division of labour in “corporatist” welfare states
advantages men and disadvantages women because men show greater dedication to their
work, and women show greater dedication to their homes (Judge and Livingston, 2008).
Therefore, in “corporatist” regime-type states, individuals might not have a tendency to
recognize inequalities by considering this division of labour as correct and rational. In
contrast, since women in “liberal” and “social democratic” regime-type states are expected to
have more similar gender roles as men, both men and women are expected to recognize and
perceive to a greater extent inequalities.
In “liberal” and “social democratic” welfare states such indicators of gender equality as women’s participation and representation in the labour force, government and politics are represented to a greater extent than in “corporatist” welfare states. Accordingly, although gender equality is supposed to be higher in “liberal” and “social democratic” welfare states than in “corporatist” welfare states, individuals in “corporatist” welfare states are less likely to be sensitive towards gender inequality because it is considered to be a part of a shared belief that women’s job is worth less than men’s. Alternatively, members of “liberal” and “social democratic” welfare states, whose practices are more gender egalitarian, are expected to be more sensitive towards gender inequality as that would be an unaccepted practice for them.

The degree of public awareness of gender inequality can also influence individuals’ and employees’ perceptions of gender inequality and the gender pay gap. In order to promote equality and responsiveness in culturally diverse societies, trade union campaigns, societal movements and governments’ campaigns are organized (see, for example, campaigns of European Commission12). One of their objectives is to increase public awareness of social inequalities. Another objective is to reduce directly reported, explicit as well as implicit, unconscious gender stereotypes and prejudices at multiple levels, which, in turn, may have an impact on individuals’ perceptions of gender inequality.

If trade union campaigns, societal movements, and governments campaigns are key factors influencing public awareness, then greater awareness is expected to be seen among those individuals who follow those events. In other words, individuals who follow various campaigns are suggested to be more aware of gender inequality, feminist movements, family-friendly policies, and, among other issues, about the existence of gender inequality and the gender pay gap. Furthermore, participants and viewers of such campaigns are expected to possess more support to struggle against gender inequality.

One of the limitations of the thesis is that it includes only those factors which are applied in the Finnish Gender Equality Barometer 2008, while other factors such as, for instance, the type of the welfare regime and the degree of public awareness of inequalities, are not observed in the Barometer 2008. An extensive study that explores perceptions of individuals working in countries with different welfare regimes and with different degrees of public awareness of inequalities may thus confirm the empirical findings of the present thesis. An example of such kind of study could be a comparative research based on the surveys conducted by United Nations Economic Commission for Europe13. These surveys apply common gender inequality indexes across countries and, thus, are applicable for international comparative studies related to the topic of gender inequality.

Next, the consequences of individuals’ and employees’ perceptions of gender inequality and the gender pay gap should be studied in future. Several scholars recognize that perceptions of gender inequality as well as the perceptions of gender pay gap can be important in predicting cognitive and behavioural reactions such as self-esteem, psychological well-being and relationships at work (e.g., Foley, Ngo and Loi, 2006). Employees’ perceptions of gender

13 Further information available at: http://www.unece.org/
inequality and the gender pay gap can cause stress and worry that one can be a victim of injustice. Together, these consequences call for a more longitudinal empirical research that may identify concrete actions for eradicating both gender inequality and the gender pay gap.

It is also worth mentioning that, although applying survey technique and quantitative analysis has contributed significantly to the research objectives of this thesis, statistical analysis alone provides only a limited picture of the perceptions of gender inequality and the gender pay gap in Finland. If one sets from the definition that equality manifests itself as opportunities to realize one’s own aims, then subjectivity, such as men's and women's own experiences, is an essential element which cannot be gained from statistics (Lehto, 1999). No single research method can answer all the questions about the nature of individuals’ perceptions since perceptions are extremely difficult to get at.

Given the sensitive nature of the research area, policy-capturing technique may be considered to be an alternative way to examining individuals’ and employees’ perceptions of gender inequality and the gender pay gap. Policy-capturing design allows obtaining more generalizable outcomes by asking the research respondents to act as how they would when evaluating inequalities between genders, instead of directly asking individuals how they perceive and experience the phenomena (Zhou and Martocchio, 2001). In addition, policy-capturing technique provides researchers with an opportunity to examine multiple factors that may simultaneously affect the way individuals perceive gender inequality and the gender pay gap. More details concerning this technique can be found in the third thesis paper.

Lastly, the general limitations of a quantitative study design should be discussed. Quantitative research is based on a positivist philosophy which assumes that there are social facts with an objective reality apart from the beliefs of the individual (Firestone, 1987). Quantitative research seeks to explain the causes in social facts through objective measurements and quantitative analysis (Firestone, 1987). At the same time quantitative analysis has a number of limitations. Its results are limited as they provide numerical descriptions rather than detailed narrative human perception. Quantitative analysis is often carried out in an unnatural, artificial environment so that a level of control can be used. The results of a quantitative analysis might not necessarily reflect how individuals really feel about a subject. It is, thus, reasonable to argue that a qualitative study might significantly contribute to the future development of the researched areas of perceived gender inequality, gender pay gap and pay inequity by examining further than precise numerical evidence.

5.4. Concluding remarks

The central aim of this thesis was to present a current and comprehensive picture of Finns’ perceptions of gender inequality and their reactions to pay inequity. Another goal of the thesis was to present theoretical explanations of those perceptions and reactions, along with empirical evidence for many aspects of the theoretical perspectives.

There were several reasons I was interested in conducting this thesis. In my opinion, a comprehensive study of how Finns perceive gender inequality and react to pay inequity may
enhance current research and help to explain some inconsistencies and contractions. For example, younger people and students were found to perceive gender inequality to a lesser extent than older individuals, employed and retired people. One possibility for explaining this tendency is that younger people might have more liberal beliefs and attributes towards gender inequality or they might simply have less experience in dealing with possible cases of gender inequality. It was also found that employees in lower-level positions perceived workplace gender inequality to a greater extent than employees in upper-level positions. Employees who are in higher hierarchical positions might be responsible for possible cases of gender discrimination or benefit from gender status quo. Indeed it can be in their own interest not to respond to the suggestion that gender inequality exists in their organizations.

Does perception of gender inequality lead to its consciousness and concrete reactions or to its acceptance? The results of the thesis showed that employees tended to perceive gender inequality to a greater extent in society in general but not in their workplaces. It might be suggested that employees implicitly accept aspects of gender inequality that are so far removed from their immediate experience at work and, thus, perceive gender inequality in their workplaces to a lesser extent than in society in general. Many employees may also consider that workplace gender inequality and the gender pay gap are things of the past. Several social psychological theories were discussed in the theoretical part of the thesis explaining this phenomenon (see section 2.4.1).

Overall, the assumption is implicit that overall and societal gender inequality is generally acknowledged. At the same time, far more people are likely to perceive gender inequality in the society in general rather than in their own workplaces. Furthermore, male and female employees react relatively differently to underpayment and overpayment conditions. Comparing underpayment and overpayment conditions in organizations, the higher the level of pay inequity, the less committed to organization male employees are. This finding suggests that female employees are more sensitive to the organizational procedures and systems than to pay itself. This leads to the conclusion that while Finns realize that there are problems in Finnish society concerning gender inequality and the gender pay gap as a whole, they tend not to perceive the existence of these very problems in their own workplaces and do not explicitly react to pay inequity in their organizations.

Additional research is indeed needed to explore the psychological side of these tendencies. A broader understanding of individuals’ and employees’ perceptions and reactions may pave the way to more effective ways of reducing gender inequality, gender pay gap, and pay inequity all over the world since public opinion is a powerful source which may shape individuals’ actions in many ways. Such individual actions multiplied by thousands everyday may enhance change in a society in general and lead to constructing a society where everyone has equal opportunities.
REFERENCES


APPENDIX 1

Employees’ Perceptions of Gender Inequality in Society and in Workplace

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Abstract: this study examines factors that explain employees’ perceptions of societal and workplace gender inequality. A theoretical model is developed based on the gender socialization perspective, anticipatory injustice model, relative deprivation and role-balance theories. The empirical analysis supports earlier studies arguing that there is a stronger belief among employees of widespread gender inequality in society in general than in their own workplaces. The results suggest that employees’ perceptions of societal and workplace gender inequality are related to different individual and employment factors.

INTRODUCTION

Stratification scholars have revealed structural inequalities across nations and over time along the lines of class, gender, and race (Crompton and Mann, 1986; Lam, 2004). Various patterns of inequality have been distinguished: inequality of outcome, opportunity, merit, and entitlement (Baker, Lynch, Cantillon and Walsh, 2004). A growing awareness of gender inequality as well as a conviction that this inequality should be eliminated has produced a number of studies aiming at uncovering the reasons for it (e.g., Acker, 2006a; Kanter, 1977; Neff, Cooper and Woodruff, 2007; Reskin, 2003; Sen, 1995; Teigen and Wängnerud, 2009).

Whatever the level of gender inequality measured by different indicators, there is also a subjective dimension, which concerns how visible it is for individuals. Visibility of inequality, defined as ‘the degree of awareness of inequality’ (Acker, 2006a: 452), may vary considerably. Acker (2006a) argued that people generally see inequality as existing somewhere else, not where they are. Gender inequality is not an exception. It tends to ‘disappear’ among organizational members or is seen as something that does not exist in specific organizations (Acker, 2006a; Ely and Meyerson, 2000; Korvajärvi, 1998; 2003).

While van den Brink and Stobbe (2009) empirically examined perceived gender inequality in organizations, followed by Durbin and Fleetwood (2010) who studied perceived gender inequality in employment, few studies have compared to some extent the way people perceive both societal and workplace gender inequality (Acker, 2006a; Hearn, Piekkari and Jyrkinen, 2009). However, it is important to investigate the distinction between perceptions of societal and workplace gender inequality since it may reveal visibility of societal gender inequality among individuals and its disappearance in their own workplaces. By exploring social psychological aspects of both societal and workplace gender inequality through a large scale survey, the present study broadens our knowledge about the perceived gender inequality.

Previous studies have shown that such factors as gender, age, education, marital status are related to individuals’ perceptions of gender inequality (e.g., Davis and Robinson, 1991;
The current study concentrates on the perceptions of employees and, thus, explores not only how individual but also employment factors can be related to employees’ perceptions of gender inequality. Drawing on the gender socialization perspective (Stockard, 1999), anticipatory injustice model (Shapiro and Kirkman, 2001), relative deprivation theory (Crosby, 1982), and role-balance theory (Marks and MacDermid, 1996), the study extends knowledge about factors related to the way employees perceive both societal and workplace gender inequality.

One of the objectives of the study is to reveal individual and employment factors, which are related to employees’ perceptions of societal and workplace gender inequality. Drawing on several social psychological theories and perspectives, a conceptual model consisting of both individual and employment factors is developed. It is tested by applying data from the Finnish Gender Equality Barometer 2008, which investigates the experiences and attitudes of individuals in matters concerning gender inequality. Another objective is to attempt to understand why so many employees tend to see gender inequality at the societal level but deny its existence at the organizational level.

**Hypotheses and Theory**

In order to explore whether and to what extent employees perceive societal and workplace gender inequality to exist, it is first essential to define the meaning of gender equality. This study follows liberal feminist theory and sees gender equality as equal opportunities for men and women to realize their ambitions (Lehto, 1999). The problem of gender inequality is seen as a question of achieving sameness and the solution for overcoming it as a strategy of equal opportunities (Verloo and Lombardo, 2007). Furthermore, based on the model explaining individuals’ consciousness of gender inequality (Davis and Robinson, 1991: 72), those employees who are in favor of achieving sameness between men and women by providing both of them with equal opportunities are considered to perceive gender inequality to a greater extent than others.

Employees’ perceptions are influenced by the experiences they gain throughout their lives. A set of hypotheses concerning individual factors, which are suggested to have an impact on employees’ perceptions of both societal and workplace gender inequality are, thus, developed first. Employees’ perceptions of workplace gender inequality may also vary considerably across sectors, industries, and organizations since sectors, industries, and organizations may have their own distinctions of gender inequality with roots of discrimination deeply embedded in their systems, practices, and assumptions (Meyerson and Fletcher, 2000). Gender inequality in many workplaces can be obscured and reproduced by processes of disembodiment, such as ‘merit’ and productivity, which make it difficult for organizational members to recognize the persistence of male privilege and the absence of gender equality. Therefore, after introducing hypotheses concerning individual factors, I develop a set of hypotheses about employment factors, which are expected to have an impact on employees’ perceptions of workplace gender inequality.

In line with the previous empirical research, gender is suggested to be related to employees’ perceptions of both societal and workplace gender inequality (e.g., Borchorst and Siim, 2008). According to the gender socialization perspective (Stockard, 1999), men and women
are socialized to perceive behaviours differently. Thus, it is suggested that those employees who are disadvantaged by the distribution of opportunities, treatment, and conditions are likely to perceive both societal and workplace gender inequality to a greater extent than those employees who are not disadvantaged. Since in most cases the disadvantaged employees are women, gender is expected to have an impact on employees’ perceptions of both societal and workplace gender inequality in a way that female employees are likely to perceive both types of inequality to a greater extent than male employees.

**Hypothesis 1:** female employees are more likely to perceive higher levels of (a) societal and (b) workplace gender inequality.

According to Shapiro’s and Kirkman’s (2001) *anticipatory injustice model*, people’s perceptions match their schemata, which are based on their prior experience. The older an individual is, the more experience he/she obtains, the more is the likelihood that he/she has experienced injustice and, thus, continually sees it. In contrast, the younger an individual is, the less experience he/she has, the less formed opinions he/she possesses, and the less is the likelihood that he/she will perceive societal and workplace gender inequality. Consequently, based on anticipatory injustice model, age is hypothesized to have an impact on employees’ perceptions of both types of gender inequality. Older employees are suggested to perceive gender inequality to a greater extent than younger ones.

**Hypothesis 2:** there is a positive relationship between age and employees’ perceptions of (a) societal and (b) workplace gender inequality.

*Relative deprivation theory* (Crosby, 1982) claims that a married individual may differ from an unmarried one in the relative value he/she places on various outcomes and characteristics of his/her marriage. According to the theory, while married individuals tend to value stability and harmony in their relationships, unmarried individuals are likely to appreciate independence and autonomy. In addition, empirical evidence has shown that married and cohabiting individuals may be less critical towards gender inequality than those who are not (Cohen and Korchmeyer, 1995; Davis and Robinson, 1991). Thus, based on relative deprivation theory, married employees are expected to perceive both societal and workplace gender inequality to a lesser extent than unmarried ones.

**Hypothesis 3:** there is a negative relationship between marriage and employees’ perceptions of (a) societal and (b) workplace gender inequality.

Education may also have an impact on whether and to what extent employees perceive societal and workplace gender inequality. Employees who are more highly educated are likely to be more critical of the traditional labour distribution where women’s work is considered to be less valuable than men’s because these employees have a tendency to adjust their attitudes on the basis of evidence they come across rather than on historical and traditional norms (Judge and Livingston, 2008). Accordingly, employees who have high education are more likely to have knowledge about cases involving gender inequality. They are, thus, expected to be more aware of gender inequality than individuals with lower education (Davis and Robinson, 1991). Consequently, education is hypothesized to influence employees’ perceptions of both societal and workplace gender inequality in a way that
employees with higher education are expected to perceive both societal and workplace gender inequality to a greater extent than employees with lower education.

**Hypothesis 4:** there is a positive relationship between education and employees’ perceptions of (a) societal and (b) workplace gender inequality.

Place of living may also have an influence on employees’ perceptions of societal and workplace gender inequality. In many rural areas, the work of women is labeled as ‘unskilled’, and the work of men is defined as ‘skilled’, even if the tasks require similar and equal skills (Shunfeng and Aimin, 2006). Women are, thus, perceived as having lesser ability leading to a situation where male employees get better salary and treatment than female employees with same abilities. Furthermore, home-based and unwaged work done by women is often undervalued in rural areas, while work of men is more ‘visible’ in terms of monetary and physical terms (Shunfeng and Aimin, 2006). It might be thus suggested that gender inequality persists more in rural rather than in urban areas. Accordingly, living area is suggested to have an impact on whether and to what extent employees perceive both societal and workplace gender inequality to exist so that employees living in rural areas are proposed to perceive both types of gender inequality to a greater extent than employees living in urban areas.

**Hypothesis 5:** there is a positive relationship between living in a rural area and employees’ perceptions of (a) societal and (b) workplace gender inequality.

There is growing evidence that experiences and awareness of harassment contribute to social inequalities, including gender inequality (Walby, 2004). Harassment has been empirically found to be associated with a range of negative personal and organizational consequences such as poor health, lower job satisfaction, and depression of employees, whilst organizations can experience higher absenteeism, higher turnover, and lower productivity (Mikkelsen and Einarsen, 2002). Furthermore, experience of harassment can decrease employee’s employment status and hours worked. Since psychological harassment is strongly related to gender inequality, it can also increase people’s perceptions of gender inequality (Salin, 2009). Thus, employees, who experience either psychological or sexual harassment or both, are expected to perceive both types of gender inequality to a greater extent than those ones who do not experience harassment.

**Hypothesis 6:** there is a positive relationship between experience of sexual harassment and employees’ perceptions of (a) societal and (b) workplace gender inequality.

**Hypothesis 7:** there is a positive relationship between experience of psychological harassment and employees’ perceptions of (a) societal and (b) workplace gender inequality.

According to the *gender socialization perspective* (Stockard, 1999), sector gender composition is one of the factors maintaining differential treatment of men and women. While in gender-balanced groups, gender-based differences are less salient, in work environments dominated by men or women, differences between genders become more salient (Gutek and Morasch, 1982; Kanter, 1977). Furthermore, working in an environment with disproportional representation of women effects women’s gender identity so that
gender roles become more stereotypical (Ely, 1995). This statement goes along with the empirical research of Ngo, Foley, Wong, and Loi (2003), who claimed that in male/female-concentrated sectors, men and women tend to perpetuate their gender-role stereotyping. Thus, possible cases of unfair treatment become more visible and more discussed. Following this line of argumentation, employees, who are employed in organizations within a male/female-concentrated sector, are suggested to perceive workplace gender inequality to a greater extent than those who are employed in a gender-neutral sector.

**Hypothesis 8**: there is a positive relationship between working in male/female-concentrated sectors and employees' perceptions of workplace gender inequality.

According to *role-balance theory* (Marks and MacDermid, 1996), individuals seek full and meaningful experiences in their work and family lives. The theory claims that in order to achieve balance one should distribute his/her personal resources across all life roles in an 'even-handed' fashion, which tends to lead to a more equal engagement in work and family obligations (Carlson and Grzywacz, 2008). However, nowadays, many employees face the problem of time reconciliation at both professional and private levels. Since the degree of achievement of gender equality in a workplace depends among other issues on the extent to which workplace policies address the issue of reconciliation of work and family (Lewis and Giullari, 2005), reconciliation policies may provide employees with the notion of workplace gender equality.

Finland is one of the countries, where equality mainstreaming is taken into force. Workplaces implement policies, which provide both male and female employees with the opportunity to fulfill family caring obligations without being deprived of their freedom to engage in paid work and to make full use of their right for employment.

Since the degree of achievement of gender equality in a society depends among other issues on the extent to which policies address the issue of reconciliation of work and family (Lewis and Giullari, 2005), reconciliation policies may influence employees' perception of workplace gender equality. The more positive the concern of the employer is towards the reconciliation of work and family, and the better the employee's balance between work and family is, the less he/she is expected to perceive workplace gender inequality.

**Hypothesis 9**: there is a positive relationship between employers' negative attitude towards reconciliation of work and family and employees' perceptions of workplace gender inequality.

In a similar way, based on *role-balance theory* (Marks and MacDermid, 1996), employees' perceived attitude towards family leave is proposed to have an impact on whether and to what extent employees perceive workplace gender inequality to exist. Companies, that shape the needs and rights of care-givers and care-receivers by encouraging both mothers and fathers to use their leave benefits, are competent in promoting gender equality (Knijn and Kremer, 1997).

Although, in Finland, both male and female employees have the right to take family leave, there has been relatively little interest in a redistribution of responsibility between them for
child care (Rantalaiho, 1997; Salmi and Lammi-Taskula, 1999). However, recently more and more fathers in Finland have considered taking family leave leading to a progress in gender equality achievement.

Accordingly, if employees perceive that their employers support taking family leave, especially so that fathers have the right to take parental leave to the same extent as mothers, employees might perceive workplace gender inequality to a lesser extent than those employees whose employers’ attitude towards family leave is less encouraging.

**Hypothesis 10:** there is a positive relationship between employers’ negative attitude towards family leave for male employees and employees’ perceptions of workplace gender inequality.

**Hypothesis 11:** there is a positive relationship between employers’ negative attitude towards family leave for female employees and employees’ perceptions of workplace gender inequality.

**METHOD**

**Sample**

Since 1998 every four years the Finnish Ministry of Social Affairs and Health together with Statistics Finland conduct and publish the Equality Barometer, which observes the state of gender equality in Finland and examines men’s and women’s opinions and attitudes concerning it. Data from the Gender Equality Barometer 2008 (2008 Barometer) were utilized for the present study. These data were collected through telephone interviews conducted from January until March of 2008. The representative sample of the population consists of approximately 2,500 people aged 15-74. The response rate was 64%. The Barometer distinguished three essential types of population: full and part-time employees, full and part-time entrepreneurs or self-employed persons, and full-time students. For this study, the opinions and attitudes of only full and part-time employees were investigated, which resulted in a sample size of 610/606 employees. A brief description of the employees’ characteristics and their perceptions of both societal and workplace gender inequality are illustrated in Tables 1 and 2 correspondingly.
### Table 1  Respondent characteristics

<table>
<thead>
<tr>
<th>Characteristics of employees</th>
<th>Category</th>
<th>n/ %</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender (total 816)</td>
<td>men</td>
<td>45/ 375</td>
<td>725</td>
</tr>
<tr>
<td></td>
<td>women</td>
<td>55/ 441</td>
<td>441</td>
</tr>
<tr>
<td>Age (total 816)</td>
<td>17- 30 years</td>
<td>23/ 180</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>31-40 years</td>
<td>26/ 214</td>
<td>214</td>
</tr>
<tr>
<td></td>
<td>41-50 years</td>
<td>25/ 207</td>
<td>207</td>
</tr>
<tr>
<td></td>
<td>51-67 years</td>
<td>26/ 215</td>
<td>215</td>
</tr>
<tr>
<td>Marital status (total 788)</td>
<td>married or in a registered partnership, cohabiting</td>
<td>77/ 608</td>
<td>608</td>
</tr>
<tr>
<td></td>
<td>unmarried, divorced or separated, widowed</td>
<td>23/ 180</td>
<td>180</td>
</tr>
<tr>
<td>Education (total 816)</td>
<td>basic or secondary education</td>
<td>56/ 457</td>
<td>457</td>
</tr>
<tr>
<td></td>
<td>higher education</td>
<td>44/ 359</td>
<td>359</td>
</tr>
<tr>
<td>Living area (total 816)</td>
<td>urban</td>
<td>68/ 556</td>
<td>556</td>
</tr>
<tr>
<td></td>
<td>rural</td>
<td>32/ 260</td>
<td>260</td>
</tr>
<tr>
<td>Sector gender composition (total 811)</td>
<td>gender-neutral</td>
<td>21/ 168</td>
<td>168</td>
</tr>
<tr>
<td></td>
<td>male- female-concentrated</td>
<td>79/ 643</td>
<td>643</td>
</tr>
<tr>
<td>Employment sector (total 814)</td>
<td>private</td>
<td>61/ 497</td>
<td>497</td>
</tr>
<tr>
<td></td>
<td>public or governmental</td>
<td>39/ 317</td>
<td>317</td>
</tr>
<tr>
<td>Employment position (total 816)</td>
<td>upper level employee</td>
<td>31/ 251</td>
<td>251</td>
</tr>
<tr>
<td></td>
<td>lower-level employee</td>
<td>69/ 565</td>
<td>565</td>
</tr>
<tr>
<td>Employment contract (total 816)</td>
<td>full-time</td>
<td>87/ 713</td>
<td>713</td>
</tr>
<tr>
<td></td>
<td>part-time</td>
<td>13/ 103</td>
<td>103</td>
</tr>
<tr>
<td>Employment relationship (total 816)</td>
<td>permanent</td>
<td>87/ 707</td>
<td>707</td>
</tr>
<tr>
<td></td>
<td>fixed-term or temporary</td>
<td>13/ 109</td>
<td>109</td>
</tr>
</tbody>
</table>

### Table 2  Employees’ perceptions of gender inequality

<table>
<thead>
<tr>
<th>Employees’ perceptions of gender inequality</th>
<th>Category</th>
<th>n/ %</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees’ perceptions of societal gender inequality (total 806)</td>
<td>employees who perceive that men and women are equal</td>
<td>12/ 92</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>employees who perceive that the status of men in society is on average</td>
<td>67/ 539</td>
<td>539</td>
</tr>
<tr>
<td></td>
<td>slightly higher than that of women</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>employees who perceive that the status of men in society is on average</td>
<td>21/ 175</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td>clearly higher than that of women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees’ perceptions of societal gender inequality (total 813)</td>
<td>employees who fully agree that women’s opportunities in working life are as good as men’s</td>
<td>16/ 126</td>
<td>126</td>
</tr>
<tr>
<td></td>
<td>employees who more or less agree that women’s opportunities in working life are as good as men’s</td>
<td>28/ 229</td>
<td>229</td>
</tr>
<tr>
<td></td>
<td>employees who more or less disagree that women’s opportunities in working life are as good as men’s</td>
<td>45/ 367</td>
<td>367</td>
</tr>
<tr>
<td>Employees’ perceptions of workplace gender inequality (total 725)</td>
<td>employees who fully disagree that women’s opportunities in working life are as good as men’s</td>
<td>11/ 91</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>employees who perceive that gender equality realized very well at their workplaces</td>
<td>29/ 212</td>
<td>212</td>
</tr>
<tr>
<td></td>
<td>employees who perceive that gender equality realized quite well at their workplaces</td>
<td>44/ 319</td>
<td>319</td>
</tr>
<tr>
<td></td>
<td>employees who perceive that gender equality realized on average at their workplaces</td>
<td>18/ 130</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>employees who perceive that gender equality realized quite badly at their workplaces</td>
<td>7/ 50</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>employees who perceive that gender equality realized very badly at their workplaces</td>
<td>2/ 14</td>
<td>14</td>
</tr>
</tbody>
</table>
Measures

'Perceptions of Societal Gender Inequality' were measured by a two-item index. While the first item measures status of men and women in society, the second one measures their opportunities. Correlation between the items was significant at the 0.01 level **.404** (2-tailed). Firstly, respondents were asked (a) if we assess quite generally the status of men and women in Finland today, which of the following statements best corresponds to your own view. Response categories for the item were (1) the status of men in society is on average clearly higher than that of women; (2) the status of men in society is on average slightly higher than that of women; and (3) men and women are equal. Secondly, the respondents were asked whether (b) women’s opportunities in working life are as good as men’s. Response categories for the item were from 1 = fully agree to 4 = fully disagree.

'Perceptions of Workplace Gender Inequality' were measured by a one-item index. This item measures both status and opportunities of men and women in their workplaces in one question. Respondents were asked ‘is gender equality realized at your workplace?’ Response categories were from 1 = very well to 5 = very badly.

While the first dependent variable is measured by a two-item scale, and the second one by a one-item scale, both variables are comparable and parallel. They both observe status and opportunities of Finnish employees related to gender inequality. While the first variable measures the items at a general societal level, the second one measures the same items at an internal workplace level. Since the scales for the dependent variables were different, they were standardized.

Individual factors were measured by the following variables: gender – a dummy variable coded 1 for male employees and 0 for female ones. Age – measured in years starting from 17 to 67. Marital status – a dummy variable coded 1 for married, cohabiting or in registered partnership employees, and 0 for unmarried, divorced, separated, and widowed ones. Education – a dummy variable coded 1 for employees with basic or secondary, and 0 for employees with high education. Living area – a dummy variable coded 1 for employees living in urban areas, and 0 for those living in rural areas. Sexual harassment – measured by a four-item index. Respondents were asked whether during the last two years a representative of the opposite sex (a) made inappropriate remarks regarding their body or sexuality, (b) proposed sexual relations in an improper context, (c) told dirty jokes or spoken in an indecent manner which you considered offensive, and (d) made physical advances towards them in an undesired manner. Response categories were 1 = yes and 2 = no. The alpha coefficient was .84. Psychological harassment – measured by a six-item index. Respondents were asked whether there are any members of the opposite sex (a) at their workplace; (b) in organizations or associations they belong to; (c) among relatives; (d) among neighbors; (e) in their hobby environments; and (f) in some other circle of friends, who, at least sometimes, take a patronizing or disparaging attitude towards respondents’ comments and suggestions. Response categories were from 1 = no to 4 = several. The alpha coefficient was .68.
Employment factors were measured by the following variables: *sector gender composition* – a dummy variable coded 1 for gender-neutral sectors (neither gender has a clear majority), and 0 for male-/female-concentrated sectors (men or women have a clear majority). *Reconciliation of work and family* – measured by a four-item index. Respondents were asked whether it is normally difficult at their workplaces (a) for mothers of small children to refuse to work overtime for family reasons; (b) for fathers of small children to refuse to work overtime for family reasons; (c) for a woman to stay off work to look after a child under the age of 10 who has fallen ill; and (d) for a man to stay off work to look after a child under the age of 10 who had fallen ill. Response categories were from 1 = *not at all difficult* to 3 = *clearly difficult*. The alpha coefficient was .82. *Family leave for male employees* – measured by a four-item index. Respondents were asked whether it is difficult (a) for men to take paternity leave for a duration of three weeks; (b) for men to take parental leave whose duration may vary from one to seven months; (c) for men to take child care leave until the child’s third birthday; and (d) for men to take part-time child care leave, which is possible until the end of the child’s second school year. Response categories were from 1 = *not at all difficult* to 3 = *clearly difficult*. The alpha coefficient was .84. *Family leave for female employees* – measured by a three-item index. Respondents were asked whether it is difficult (a) for women to take maternity or parental leave for duration of almost one year; (b) for women to take child care leave until the child is 3 years old; and (c) for women to take part-time child care leave, which is possible until the end of the child’s second school year. Response categories were from 1 = *not at all difficult* to 3 = *clearly difficult*. The alpha coefficient was .64.

According to some empirical evidence, employees’ perceptions of workplace gender inequality may vary within employment sector (Raevaara, 2008), employment position (Rosette and Thompson, 2005), employment contract and relationship (Howard and Frink, 1996), and requests for pay increase (Barron, 2003). Five control variables were thus included. They were measured as follow: *employment sector* – a dummy variable coded 1 for private sector and 0 for public/government sectors; *employment position* – a dummy variable coded 1 for employees in a supervisory or management positions as well as upper level white-collar employees, and 0 for lower-level white-collar employees and ordinary workers; *employment contract* – a dummy variable coded 1 for employees with full-time contracts, and 0 for employees with part-time ones; *employment relationship* – a dummy variable coded 1 for employees with permanent employment relationships, and 0 for employees with fixed-term/temporary employment relationships; *requests for pay increase* – a dummy variable coded 1 for employees who requested a pay increase for themselves during the last five years, and 0 for employees who did not.

**RESULTS**

The hypotheses were tested through linear regression to investigate how individual and employment factors influence employees’ perceptions of societal and workplace gender inequality. Before running a regression analysis, means, standard deviations, and correlations diagnostics were performed (see Table 3 on p. 84).

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14 A clear majority means a majority of at least two thirds.
Table 4 presents the results of OLS regression analysis in which two models are represented. Due to the missing information in some of the responses, the effective sample size for regression analyses is N=610 and 606 respectfully. The table consists of two models. The first one incorporates the impact of various factors on employees’ perceptions of societal gender inequality, and the second depicts the impact of the same factors on employees’ perceptions of workplace gender inequality.
Table 4 Results of linear regression analysis of employees’ perceptions of gender inequality

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable: Employees’ Perceptions of Societal Gender Inequality (perceiving gender inequality to a lesser extent to perceiving gender inequality to a greater extent)</th>
<th>Dependent Variable: Employees’ Perceptions of Workplace Gender Inequality (perceiving gender inequality to a lesser extent to perceiving gender inequality to a greater extent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
</tr>
<tr>
<td>Employment sector (0=public and government)</td>
<td>.002</td>
<td>.049</td>
</tr>
<tr>
<td>Employment position (0=lower-level white-collar employees and ordinary workers)</td>
<td>.048</td>
<td>1.102</td>
</tr>
<tr>
<td>Employment contract (0=part-time)</td>
<td>-.014</td>
<td>-.364</td>
</tr>
<tr>
<td>Employment relationship (0=fixed-term/temporary)</td>
<td>.014</td>
<td>.336</td>
</tr>
<tr>
<td>Request for pay increase (0=employees who do not request a pay increase)</td>
<td>.008</td>
<td>.205</td>
</tr>
<tr>
<td>Gender (0=women)</td>
<td>-.321</td>
<td><strong>-7.564</strong>*</td>
</tr>
<tr>
<td>Age</td>
<td>.084</td>
<td><strong>2.040</strong></td>
</tr>
<tr>
<td>Marital status (0=unmarried, divorced, separated, and widowed)</td>
<td>-.028</td>
<td>-.697</td>
</tr>
<tr>
<td>Education (0=high education)</td>
<td>.036</td>
<td>.821</td>
</tr>
<tr>
<td>Living area (0=rural areas)</td>
<td>-.040</td>
<td>-1.019</td>
</tr>
<tr>
<td>Sexual harassment (experience of sexual harassment)</td>
<td>-.009</td>
<td>-.200</td>
</tr>
<tr>
<td>Psychological harassment (non experience)</td>
<td>.085</td>
<td><strong>2.022</strong></td>
</tr>
<tr>
<td>Gender composition of employment sector (0=male-female-concentrated)</td>
<td>-.004</td>
<td>-.102</td>
</tr>
<tr>
<td>Reconciliation of work and family (high)</td>
<td>-.050</td>
<td>-1.117</td>
</tr>
<tr>
<td>Family leave for male employees (not difficult)</td>
<td>.124</td>
<td><strong>2.362</strong></td>
</tr>
<tr>
<td>Family leave for female employees (not difficult)</td>
<td>.073</td>
<td>1.450</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.146</td>
<td>.148</td>
</tr>
<tr>
<td>$F$</td>
<td>6.343</td>
<td>***</td>
</tr>
<tr>
<td>N</td>
<td>610</td>
<td></td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001 (significance levels are based on one-tailed test)
First of all, hypothesis 1, according to which female employees perceive both (a) societal and (b) workplace gender inequality to a greater extent than their male counterparts, was supported. Secondly, hypothesis 2, which stated that age is positively related to employees’ perceptions of both (a) greater societal and greater (b) workplace gender inequality, was supported. Neither hypothesis 3, according to which there is a negative relationship between marriage and employees’ perceptions of (a) societal and (b) workplace gender inequality, nor hypothesis 4, according to which there is a positive relationship between education and employees’ perceptions of (a) societal and (b) workplace gender inequality, were supported. Next, neither hypothesis 5, which states that there is a positive relationship between living in rural area, and employees’ perceptions of (a) societal and (b) workplace gender inequality, nor hypothesis 6, according to which there is a relationship between experience of sexual harassment and employees’ perceptions of (a) societal and (b) workplace gender inequality, were supported. Furthermore, both hypothesis 7, according to which there is a relationship between experience of psychological harassment and employees’ perceptions of (a) societal and (b) workplace gender inequality, and hypothesis 8, according to which working in male/female-concentrated sectors is positively related to employees’ perceptions of greater workplace gender inequality, were supported. Hypothesis 9, which states that employers’ negative attitude towards reconciliation of work and family is positively related to employees’ perceptions of greater workplace gender inequality, was not supported. Hypothesis 10, according to which employers’ negative attitude towards family leave for male employees is positively related to employees’ perceptions of greater workplace gender inequality, was supported. Finally, last hypothesis 11, according to which employers’ negative attitude towards family leave for female employees is positively related to employees’ perceptions of greater workplace gender inequality, was not supported.

Several control factors were significantly related to employees’ perceptions of workplace gender inequality. Lower-level white collar employees and ordinary employees perceived workplace gender inequality to a greater extent than employees in supervisory or management positions as well as upper-level white-collar employees. Employees with full-time contracts perceived workplace gender inequality to a greater extent than employees with part-time contracts. Finally, employees, who had requested a pay increase, had perceived workplace gender inequality to a greater extent than those employees, who have not requested any pay increases.

Overall, employees’ perceptions of (a) societal gender inequality were found to depend significantly on employees’ gender, age, experience of psychological harassment, and family leave for male employees. Employees’ perceptions of (b) workplace gender inequality were found to depend considerably on employees’ gender, age, experience of psychological harassment, gender composition of employment sector, family leave for male employees, request for pay increase, employment position and contract.

DISCUSSION AND CONCLUSION

Existing research has examined gender inequality and the reasons for it in depth, but has not yet examined employees’ perceptions of societal and workplace gender inequality. This study broadens the domain of gender inequality research by developing a conceptual model where individual and employment factors, hypothesized to have an impact on employees’
perceptions of both (a) societal and (b) workplace gender inequality, are presented. The model was tested drawing on the data of the Finnish Gender Equality Barometer 2008.

Several findings of the study are worth mentioning. Firstly, male and female employees differ in their perceptions of both societal and workplace gender inequality in a way that female employees perceive both types of gender inequality to a greater extent than their male counterparts. This is somewhat obvious and is in line with the gender socialization perspective (Stockard, 1999), which claims that women in general hold different values than men so that men and women differ in their perceptions.

Secondly, the finding that older employees perceive both types of gender inequality to a greater extent than their younger colleagues is in line with the anticipatory injustice model (Shapiro and Kirkman, 2001). According to the model, people’s perceptions match their schemata, which are based on their prior experience. The older an employee is, the more experience he/she obtains, the more is the likelihood that he/she has experienced injustice and thus continually sees it.

Thirdly, the finding that employees with full-time contracts perceive workplace gender inequality to a greater extent than employees with part-time contracts might be explained with occupational socialization theory (Smith and Rogers, 2000), according to which employees are socialized within work environment through training, organizational culture, and workplace rewards. Employees with full-time contracts socialize more within their work environments and, thus, hear more about possible cases that related to gender inequality than employees with part-time contracts. Furthermore, although there is empirical evidence that fixed-term and part-time employees encounter more discrimination than employees with permanent and full-time contracts (e.g., Husu, 2005), the present study suggests that employees with full-time contracts are likely to have more experience, hear more often about the cases of gender discrimination and, thus, are more conscious of workplace gender inequality than employees who have part-time employment contracts.

Next, it is noteworthy that employees whose employers’ attitude towards taking family leave for male employees is more positive, perceived both societal and workplace gender inequality to a lesser extent than employees whose employers’ attitude towards taking family leave for male employees is less positive. It goes along with role-balance theory (Marks and MacDermid, 1996). According to the theory, when people achieve a balance between their various roles, so that both mothers and fathers are encouraged to take a family leave, perceptions of gender inequality decrease.

Furthermore, although requests for pay increase were not hypothesized to have an impact on employees’ perceptions of workplace gender inequality (included as a control variable), they were significantly associated with employees’ perceptions of workplace gender inequality. The results showed that employees, who requested a pay increase, perceived workplace gender inequality to a greater extent than those employees who did not request any pay increases. It might be so that employees, who did not request pay increases, had fewer chances to be rejected and relate this rejection to possible social inequalities, including gender inequality. In contrast, employees, who felt justified in asking for pay increase, had more chances to be rejected and relate the rejection to social inequalities, including gender
inequality. However, it could also be the other way around. Those employees, who perceive the existence of workplace gender inequality, might consider themselves as not possessing a bargaining advantage (Barron, 2003; Kray, Thompson and Galinsky, 2001) or might believe that they have to work harder in order to be financially promoted, and, thus, they might be less likely to request a pay increase. Also, employees who accept their underprivileged status in organizations might be less likely to ask for pay increases than those employees, who are not exposed to gender inequality and thus do not accept it (Lockwood, 1986).

Although most of the previously mentioned findings were rather predictable and expected, the finding that lower-level white-collar employees and ordinary workers perceived workplace gender inequality to a greater extent than employees in supervisory or management positions as well as upper-level white-collar employees was rather surprising. The potential exists for employees in lower-level positions to acknowledge their lack of privilege and for employees in upper-level positions to obtain better treatment (Rosette and Thompson, 2005). That might be the reason why employees in upper-level positions are less conscious of workplace gender inequality than employees in lower-level positions. Similarly, the structural model of organizational behaviour (Kanter, 1977) suggests that a position in the organizational hierarchy influences employees’ behaviour and perceptions. According to the model, employees in lower-level positions may attribute their disadvantages at work to structural factors and, thus, be more conscious of gender inequality. In contrast, employees in upper-level positions might look for ways to maintain their power and be less likely to perceive the existence of social inequalities, including gender inequality.

On the one hand, this finding suggests that employees in higher hierarchical positions, who are thus privileged in organizations, may be least likely to perceive the existence of workplace gender inequality. Employees, who possess higher-level hierarchical positions, might also be responsible for creating and/or dealing with gender inequality. It can be in their own interest not to perceive the existence of gender inequality in their organizations.

Another explanation on how employment position may determine the way employees perceive workplace gender inequality lies in the glass ceiling phenomenon. Male and female employees enter the labour force in equal numbers. However, the majority of upper-level positions are primarily occupied by male employees. The tendency that male employees in general perceive workplace gender inequality to a lesser extent than female employees, and that male employees are mostly the ones who occupy upper-level positions might explain why employees in upper-level positions are less conscious of workplace gender inequality than employees in lower-level positions. I did a post hoc interaction analysis to analyze whether gender moderated relationships between employment position and employees’ perceptions of workplace gender inequality. However, this interaction was not supported empirically15. Therefore, despite the glass ceiling phenomenon, it appears that both male and female employees tend to perceive workplace gender inequality to a lesser extent when they are in higher hierarchical positions than when they are in lower hierarchical positions.

The fact that gender inequality is perceived by employees in higher-level hierarchical positions as existing somewhere else, but not in their workplace, drives to its continuous

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15 Details available from the author.
acceptance and reproduction at each level. While in theory, organizations are supposed to be equal arenas for development and promotion, in practice, they are full of barriers, which might be set up by upper-level employees, who continue to enjoy power and possibly gender inequality. Accordingly, even though equality programmes and policies have opened up the gates for many employees in Finland as well as in other countries, many steps have to be pushed forward by forcing organizational members in higher-level hierarchical positions to realize their obligations and responsibilities.

Table 2 illustrated that far more employees tend to perceive gender inequality in society in general rather than in their own workplaces, which means that while employees realize that there are problems in Finnish society concerning gender inequality as a whole, they tend not to perceive the existence of this very problem in their own workplaces. This finding goes along with the statement of Jackson and Grabski (1988: 623) that employees may ‘restore psychological equity in the face of actual inequities, which they may view as beyond their power to redress’. It also supports the argumentation of Acker (2006a: 452), according to which the practices that maintain workplace gender equality are perceived as ‘something that is beside the point of the organization’, they are difficult to see.

This finding leads to some skepticism concerning current gender-awareness programmes and policies promoting equality. How can organizational members support efforts to diminish gender inequality when they recognize its existence only ‘somewhere else’, but not in their own environments, in their own workplaces? Policy makers should continue to struggle against employers’ and employees’ insensitivity, fear, and ignorance of gender inequality issues. Furthermore, gender awareness programmes should continue to aim at acknowledging both employers and employees that gender inequality is an issue which concerns each of them and each of them is responsible for solving it.

Lastly, the finding that psychological harassment is related to employees’ perceptions of both societal and workplace gender inequality shows that there are factors which were not under investigation in previous studies but have a considerable influence on employees’ perceptions. There is thus a room for further theoretical investigation of the perceived gender inequality.

**Limitations and future research**

Despite its contribution, the present study has a number of limitations. Firstly, the depicted individual and employment factors explained only 12.3% of the variance in employees’ perceptions of societal gender inequality and 12.5% of the variance in their perceptions of workplace gender inequality. In addition, there might have been a two-way causality or correlation between the factors and the employees’ perceptions of gender inequality. For instance, it might have been that not requests for pay increase predicted employees’ perceptions of workplace gender inequality, but the opposite. Employees may perceive the existence of gender inequality in their workplaces and, thus, decide not to apply for a salary increase or they may ask for a pay rise because they feel that they have been discriminated against. Further theoretical and empirical investigations are thus needed to reveal the causality between variables factors and to broaden knowledge on how different patterns of the perceived gender inequality are interrelated.
Secondly, the concept of gender inequality may have different meanings in various locations due to differences in gender roles (Verloo and Lombardo, 2007). So, for example, while in some countries reconciliation of work and family as well as family leave would be the determinants of employees’ perceptions of gender inequality, for others these factors would be considered as essential parts of the gender equality construct. An extensive study that explores employees’ perceptions working in various countries is thus needed to confirm and enlarge the empirical findings of the present study.

Thirdly, the study is based on the Gender Equality Barometer 2008. This data set is an extremely rich and valuable resource. However, it has some methodological limitations, such as a lack of validated scales, common method bias, and a lack of theoretically and empirically approved constructs, which may explain the somewhat low Cronbach’s alphas of some constructs. The current study should thus be viewed as exploratory. An extensive study that analyzes perceptions of employees working in different countries and in different sectors is needed to confirm the empirical findings of the present study. An example of such kind of study could be a comparative research based on the surveys conducted by United Nations Economic Commission for Europe or by European Commission, which apply common gender inequality indexes across European countries, and, thus, are applicable for international comparative studies related to the topic of gender inequality.

Next, the interaction effects of the study’s independent variables on employees’ perceptions of societal and workplace gender inequality were not under investigation in this study. However, different results might be expected when, for example, young married well-educated male employees working in a female-concentrated sector are compared with older single female employees working in a gender-neutral sector.

In closing, I hope that my paper will stimulate others to investigate the issues concerning employees’ perceptions of various types of gender inequality since additional research is needed to explore the psychological side of the problem. This may pave the way to more effective ways of reducing gender inequality not only in Finland but also around the world.
REFERENCES


Table 3. Means, standard deviations, and correlations

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Means, standard deviations, and correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mea</td>
</tr>
<tr>
<td>1. Employment sector</td>
<td>.61</td>
</tr>
<tr>
<td>2. Employment position</td>
<td>.87</td>
</tr>
<tr>
<td>3. Employment contract</td>
<td>.86</td>
</tr>
<tr>
<td>4. Employment relationship</td>
<td>.87</td>
</tr>
<tr>
<td>5. Request for pay increase</td>
<td>.88</td>
</tr>
<tr>
<td>6. Gender</td>
<td>.87</td>
</tr>
<tr>
<td>7. Age</td>
<td>41.3</td>
</tr>
<tr>
<td>8. Marital status</td>
<td>.77</td>
</tr>
<tr>
<td>9. Education</td>
<td>.56</td>
</tr>
<tr>
<td>10. Living area</td>
<td>.68</td>
</tr>
<tr>
<td>12. Reconciliation of work and family</td>
<td>1.37</td>
</tr>
<tr>
<td>13. Family leave for male employees</td>
<td>1.55</td>
</tr>
<tr>
<td>14. Family leave for female employees</td>
<td>1.33</td>
</tr>
<tr>
<td>15. Sexual harassment</td>
<td>.13</td>
</tr>
<tr>
<td>16. Psychological harassment</td>
<td>1.32</td>
</tr>
<tr>
<td>17. Perceptions of Societal Gender Inequality</td>
<td>-.01</td>
</tr>
<tr>
<td>18. Perceptions of Workplace Gender Inequality</td>
<td>2.08</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001 (significance levels are based on one-tailed test)
APPENDIX 2

Individuals' perceptions of overall gender inequality: Lessons from Finland

Author: Violetta Khoreva

Abstract: in spite of the fact that equal opportunities for men and women have been a priority in many countries, the inequality between them has not disappeared. Studies have focused on the causes of gender inequality. However, in addition to objective sources of gender inequality, there is also a subjective dimension which concerns how people with different backgrounds perceive overall gender inequality. To address this issue, I develop a conceptual model of factors hypothesized to influence individuals’ perceptions of overall gender inequality grounded in social psychology theories. The model is tested applying the data from the Finnish Gender Equality Barometer 2008, which investigates the experiences and attitudes of individuals in matters concerning gender inequality. The empirical analysis reveals that individuals’ gender and occupational categorization are considerable determinants of their perceptions of overall gender inequality. In addition, the results show that both employed and retired people perceive overall gender inequality to a greater extent than students.

INTRODUCTION

Gender inequality has been an intensively researched topic in social science. Various studies were produced aiming at finding the reasons for gender inequality (e.g., Acker, 2006a; Kanter, 1977; Neff, Cooper and Woodruff, 2007; Reskin, 2003; Sen, 1995; Teigen and Wångnerud, 2009). However, much less attention has been given to its subjective dimension, which concerns how individuals with various backgrounds perceive gender inequality. Examining the way people perceive gender inequality can help answering the question of why gender inequality persists and how to overcome it because the more knowledge people gain about the phenomenon, the more courage they have to act against it.

Several studies have examined individuals’ perceptions of gender inequality. In her study, Gilligan (1982) came to the conclusion that individuals interpret and perceive various phenomena including the phenomenon of gender inequality differently based on their social relationships. Davis and Robinson (1991) suggested a model which explained individuals’ perceptions of gender inequality applying data from the USA, the UK, Germany, and Austria. Building on research on collective relative deprivation, Gutek, Cohen, and Tsui (1996) examined psychologists’ and managers’ perceptions of sex discrimination. Furthermore, Rotundo, Nguyen, and Sackett (2001) reported a meta-analysis of 62 studies of gender differences in perceptions of harassment. Finally, Ngo, Foley, Wong, and Loi (2003) examined the relationship between individual and organizational level variables and the perceived gender inequity. Yet, none of the studies examined whether people with different occupational statuses vary in their perceptions of gender inequality.

This study broadens the domain of gender inequality research by analyzing perceptions of three particular groups of individuals: students, employed people, and retired people. It is particularly important to study whether these groups of individuals significantly vary in their perceptions of overall gender inequality. Finding differences in perceptions of these groups
may pave the way for overcoming gender inequality. Furthermore, focusing on individuals’ perceptions of overall gender inequality rather than actual, statistically determined inequality is meaningful since knowledge of these perceptions may lead to positive changes. If people are not aware of gender inequality, it may affect their work-related attitudes and behaviours (Sanchez and Brock, 1996). It may lead, for example, to problems with retention, morale, performance, and satisfaction (Fields, Pang and Chiu, 2000; McDaniel, Schoeps and Lincourt, 2001; Tepper, 2001; Stone-Romero and Stone, 2005; van Dierendonck, Schaufeli and Buunk, 2001).

Various factors may have an impact on the way individuals perceive overall gender inequality. For example, based on the gender socialization perspective (Stockard, 1999), Smith and Rogers (2000) concluded that men and women tend to regard their workplaces with different attitudes and expectations and, thus, may perceive gender inequality differently. The social context, in which the concept of gender inequality is located, can also have an impact on the way gender inequality is perceived (Verloo and Lombardo, 2007). Based on theories of social psychology, both Hollander and Howard (2000) and Deaux and Major (2000) explored the relationships between individual and social inequalities and proposed a social-psychological model of gender.

However, not only gender and social environment may influence the way individuals perceive overall gender inequality. More theoretical and empirical work is thus needed to shed light on the question of whether and to what extent individuals with different occupational statuses perceive overall gender inequality to exist. A thorough study is required to explore the range of individual factors that may influence individuals’ perceptions of overall gender inequality.

This paper develops a conceptual model of factors hypothesized to influence individuals’ perceptions of overall gender inequality. By scrutinizing theories from social psychology, such as the gender socialization perspective (Stockard, 1999), occupational socialization theory (Smith and Rogers, 2000), and relative deprivation theory (Crosby, 1982), the current study identifies a comprehensive list of potential individual determinants of individuals’ perceptions of overall gender inequality. The hypotheses are tested with the Finnish Gender Equality Barometer 2008, which investigates the experiences and attitudes of individuals in matters concerning gender inequality.

In the next section, I develop a set of hypotheses concerning factors suggested to have an impact on individuals’ perceptions of overall gender inequality. The subsequent section discusses the sample, variables, and statistical techniques that are applied to test the hypotheses. The final section provides the study’s conclusions, limitations, and suggestions for future research.

**THEORY AND HYPOTHESES**

In order to explore how individuals perceive overall gender inequality, it is first essential to define the meaning of gender equality. This study builds on liberal feminist theory and sees gender equality as equal opportunities for men and women to realize their ambitions in society in general (Lehto, 1999). The problem of gender inequality is seen as a question of
achieving sameness, and the solution for overcoming it in the strategy of equal opportunities (Verloo and Lombardo, 2007). Furthermore, based on the model explaining consciousness of gender inequality (Davis and Robirtson, 1991: 72), those individuals, who are in favor of achieving sameness between men and women by providing both of them with equal opportunities, are proposed to be more likely to perceive overall gender inequality than those individuals, who are not in favor of achieving sameness between men and women.

Individuals’ perceptions of overall gender inequality might differ considerably depending on gender, marital status, education, area of living, and occupational categorization. Several empirical studies conducted in various countries showed that women tend to be more concerned about gender inequality than men (e.g., Borchorst and Siim, 2008); employed people tend to perceive gender inequality to a greater extent than other members of the society (Davis and Robinson, 1991; Smith and Rogers, 1996); married individuals are less aware of gender inequality than unmarried ones (e.g., Cohen and Kirchmeyer, 1995); highly educated individuals tend to be more critical towards unequal treatment of genders than lower educated ones (e.g., Judge and Livingston, 2008); and individuals living in urban areas are likely to perceive gender inequality to a lesser extent than those living in rural areas (e.g., Shunfeng and Aimin, 2006). The relationships between these factors and individuals’ perceptions of overall gender inequality are discussed below.

The *gender socialization perspective* (Stockard, 1999) offers some explanations on why women tend to perceive gender inequality to a greater extent than men. Men and women may differ in their perceptions due to their differential roles and positions in the society in general and organizations in particular (Borchorst and Siim, 2008). Many women have to demonstrate that they possess the same required skills and qualifications as men. Women thus continue to experience differential and selective treatment at home and at work based on their gender since the interests of those in more powerful position are represented more forcefully than the interests of the less powerful, who are more likely to be women (Bridges and Nelson, 1989).

Women might also perceive gender inequality to a greater extent than men as a consequence of the ‘confirmatory bias’ phenomenon, which relates to the tendency to see things that are expected to be seen. That is, if a person expects to see gender inequality, unless he/she has objective evidence to indicate it, he/she will be likely to perceive it. If this is so, then individuals’ perceptions of gender inequality may be a result of expected and not necessarily experienced injustice. Shapiro and Kirkman (2001) referred to this tendency as ‘anticipatory justice’ meaning that those who anticipate injustice are more likely to see injustice than those who do not experience injustice. Similarly, Sanchez and Brock (1996) argued that minorities, who expect gender discrimination based on a history of it or some negative work experience, are more likely to perceive discrimination than those who do not have this expectation. Based on the above argumentation, I thus propose that since in many cases women are disadvantaged by the distribution of opportunities, treatment, and conditions, they are likely to perceive overall gender inequality to a greater extent than men.

**Hypothesis 1:** women are more likely to perceive higher levels of overall gender inequality.
Perceptions of individuals with different occupations may vary considerably. Work outside home may provide both men and women with a direct or indirect experience of gender inequality in earnings, promotion, and work conditions that are not faced by people who are not currently employed (Davis and Robinson, 1991).

*Occupational socialization theory* (Smith and Rogers, 2000) claims that employed people are socialized within work environment through training, organizational culture, and workplace rewards. Therefore, employed people might be more socialized and more conscious of the cases where men and women are treated differently while performing similarly than, for example, students (Judge and Livingston, 2008; Paul, 2006). Employed people might receive more information about gender inequality faced by others or by themselves in the labor market that increases their awareness of gender inequality (Davis and Robinson, 1991). In contrast, students might have little or no data about such cases. They are thus less likely to be conscious of overall gender inequality than employed people.

Do retired people perceive overall gender inequality to a greater or lesser extent than students and employed individuals? On the one hand, based on occupational socialization theory, retired people might be suggested to perceive overall gender inequality to a greater extent than students and employed people because they have more experience and are more likely to have witnessed or heard about cases, which involve persistence of gender inequality. On the other hand, Davis and Robinson (1991: 73) provided a conceivable explanation for why this might not be the case for retired people and why the dimension of occupational categorization may prevail the dimension of age. These scholars argued that retired people may see gender inequality as meritocratic in a way that it is a result of gender differences in talent, effort, and educational diplomas rather than a result of gender discrimination. Accordingly, gender inequality is likely to be justified for retired people. They thus might unconsciously accept its existence.

In general, based on occupational socialization theory, which states that people who are currently employed are more socialized and, thus, are more sensitive towards overall gender inequality than students, employed people are hypothesized to perceive overall gender inequality to a greater extent than students. Since retired people may be more socialized than students and employed people, they are also expected to perceive overall gender inequality to a greater extent than students.

**Hypothesis 2:** there is a positive relationship between being employed or retired and individuals’ perceptions of overall gender inequality.

According to *relative deprivation theory* (Crosby, 1982), a married individual may differ from an unmarried one in the relative value he/she places on various outcomes and characteristics of his/her marriage. The theory claims that while married individuals tend to value stability and harmony in their relationships, unmarried individuals are likely to appreciate independence and autonomy. In addition, some empirical studies showed that married and cohabiting individuals were less critical towards gender inequality than those who were not married or cohabiting (Cohen and Korchmeyer, 1995; Davis and Robinson, 1991). Based on relative deprivation theory, I thus propose that married individuals are less likely to perceive higher levels of overall gender inequality than unmarried ones.
**Hypothesis 3**: there is a negative relationship between marriage and individuals’ perceptions of overall gender inequality.

Education may also have an influence on the way individuals perceive overall gender inequality. Individuals with high education might be more critical towards the traditional labour distribution where women’s work is considered to be less valuable than men’s. This tendency may occur since highly educated individuals are likely to build their attitudes on the basis of evidence they come across rather than on historical and traditional norms (Judge and Livingston, 2008). Individuals with high education are thus suggested to be more aware of overall gender inequality than individuals with lower education (Davis and Robinson, 1991). Education is hypothesized to be related to individuals’ perceptions of overall gender inequality so that individuals with high education will perceive overall gender inequality to a greater extent than individuals with lower education.

**Hypothesis 4**: there is a positive relationship between education and individuals’ perceptions of overall gender inequality.

Place of living might also be related to the way people perceive overall gender inequality. According to Shunfeng and Aimin (2006), in many rural areas, the work of women is considered to be ‘unskilled’ and the work of men is thought to be ‘skilled’ even if the tasks require similar and equal skills. Women are thus perceived as having lesser ability or commitment leading to a situation where men get better salary and treatment than women with similar abilities. According to these scholars, home-based and unwaged work done by women is often undervalued in rural areas, while work of men is more noticeable in terms of monetary and physical terms. Gender inequality is suggested to persist more in rural areas rather than in urban ones. Therefore propose that individuals living in rural areas will perceive overall gender inequality to a greater extent than individuals living in urban areas.

**Hypothesis 5**: there is a positive relationship between living in rural area and individuals’ perceptions of overall gender inequality.

**METHOD**

**Research context**

The current study concentrates on Finnish employees, thus the development of the gender system in Finland needs to be examined. ‘Passion for gender equality’ is frequently marked as an essential feature of Nordic countries (Holli, Magnusson, and Rönnblom, 2005). Nevertheless, this perception becomes challenging when the degree of achievement of gender equality is taken into practice. On the one hand, Finland reached third place after Iceland and Norway in the Global Gender Gap Index 2010 (Global Gender Gap Report, 2010). Finland showed one of the highest percentages of total female employees (44%) in the population (Corporate Gender Gap Report, 2010). It is also characterized by women’s full-time employment, high participation in political life, and high educational level (Husu, 2001).

However, at the same time, the top positions of the Finnish business companies are mainly occupied by men, and only 13% of CEOs are women (Corporate Gender Gap Report, 2010).
According to the same report, in the majority of the Finnish business companies (54%) only 10% of senior management positions are held by female employees. This leads to a conclusion that women continue to dominate numerically only on the lowest and middle levels of the organizational hierarchies in the Finnish companies.

**Sample**

Data from the Finnish Gender Equality Barometer 2008 (Barometer 2008) were chosen for observing individuals’ perceptions of overall gender inequality in Finland. The Barometer 2008 was produced by Statistics Finland for the Finnish Ministry of Social Affairs and Health. The data for the 2008 Barometer were collected through telephone interviews conducted from January until March of 2008. The sample consists of approximately 2,500 people aged 14-74. The response rate was 64%. For the following study, the opinions and attitudes of students, employed, and retired people were investigated, which resulted in a final sample size of 1584 individuals. A brief description of the respondent characteristics is presented in Table 1.

**Table 1  Respondent characteristics**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Category</th>
<th>n/%</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender (1584)</td>
<td>men</td>
<td>47</td>
<td>748</td>
</tr>
<tr>
<td></td>
<td>women</td>
<td>53</td>
<td>836</td>
</tr>
<tr>
<td>Marital status (1431)</td>
<td>married or in a registered partnership, cohabiting</td>
<td>65</td>
<td>1033</td>
</tr>
<tr>
<td></td>
<td>unmarried, divorced or separated, widowed</td>
<td>25</td>
<td>398</td>
</tr>
<tr>
<td>Education (1584)</td>
<td>basic or secondary education</td>
<td>69</td>
<td>1086</td>
</tr>
<tr>
<td></td>
<td>higher education</td>
<td>31</td>
<td>498</td>
</tr>
<tr>
<td></td>
<td>urban</td>
<td>63</td>
<td>992</td>
</tr>
<tr>
<td>Living area (1584)</td>
<td>rural</td>
<td>37</td>
<td>592</td>
</tr>
<tr>
<td></td>
<td>students</td>
<td>15</td>
<td>232</td>
</tr>
<tr>
<td>Occupational status (1491)</td>
<td>employed people</td>
<td>64</td>
<td>944</td>
</tr>
<tr>
<td></td>
<td>retired people</td>
<td>21</td>
<td>315</td>
</tr>
</tbody>
</table>

**Measures**

*Dependent variables:* the dependent variable 'Perceptions of Overall Gender Inequality' was measured by questions concerning individuals’ perceptions of gender inequality not only in the family but, also, in business, economy, and politics in order to obtain a comprehensive measure of individuals’ perception of overall gender inequality. Based on other country-specific surveys (Vella, 1994; Day and Devlin, 1998; Guiso, Sapienza and Zingales, 2003; Fortin, 2005) that ask similar questions, questions for the following study were developed. A factor analysis also revealed that out of the thirteen perception items measuring the general status of men and women in Finland, the depicted seven items were distinct dimensions of perceptions of overall gender inequality (Table 2). For the following study neither employees’
perceptions concerning family’s income and its sources (Factor 2) nor questions about general status of men and women in Finland (Factor 3) were examined since the study aimed at analyzing only perceptions of individuals concerning overall gender inequality. However, in future all set of factors are planned to be examined in order to provide a broader picture of the general status of men and women in Finland.

**Table 2 Factor analysis results for perception items**

<table>
<thead>
<tr>
<th>Questions</th>
<th>Factor 1 (Perceptions of overall gender inequality)</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women should play a more active role in politics to diversify the range of political expertise?</td>
<td>.722</td>
<td>-.071</td>
<td>.054</td>
</tr>
<tr>
<td>Business and the economy would benefit from more women in leading positions than at present?</td>
<td>.718</td>
<td>-.055</td>
<td>-.009</td>
</tr>
<tr>
<td>More women should be employed in social and health care services than at present?</td>
<td>.466</td>
<td>-.009</td>
<td>-.070</td>
</tr>
<tr>
<td>Women’s opportunities in working life are as good as men’s</td>
<td>-.230</td>
<td>-.021</td>
<td><strong>.504</strong></td>
</tr>
<tr>
<td>And what do you think of this statement: Married women are fully entitled to go to work irrespective of their family situation?</td>
<td>.124</td>
<td><strong>.569</strong></td>
<td>.160</td>
</tr>
<tr>
<td>Men bear the primary responsibility for their family’s income?</td>
<td>.073</td>
<td><strong>.726</strong></td>
<td>-.036</td>
</tr>
<tr>
<td>It is justified that the partner with the lowest income should do a greater share of the housework?</td>
<td>.021</td>
<td><strong>.707</strong></td>
<td>.243</td>
</tr>
<tr>
<td>Men should participate more in the care and upbringing of their children than they do at present?</td>
<td><strong>-4.75</strong></td>
<td>.119</td>
<td>-.177</td>
</tr>
<tr>
<td>Men are sufficiently encouraged at the workplace to use child care leaves?</td>
<td>.106</td>
<td>.021</td>
<td><strong>.713</strong></td>
</tr>
<tr>
<td>Labour market organizations should be more active in eliminating unjustified differences in pay between women and men?</td>
<td><strong>-4.84</strong></td>
<td>-.222</td>
<td>-.325</td>
</tr>
<tr>
<td>The employer costs incurred when employees take different forms of family leave should be distributed more evenly between the female- and male-dominated sectors?</td>
<td><strong>-4.83</strong></td>
<td>-.078</td>
<td>-.458</td>
</tr>
<tr>
<td>Men will also benefit from an increase in gender equality?</td>
<td><strong>-5.31</strong></td>
<td>-.213</td>
<td>-.020</td>
</tr>
<tr>
<td>Workplace equality plans are of no value in promoting equality between women and men?</td>
<td>-.056</td>
<td>-.028</td>
<td><strong>.462</strong></td>
</tr>
<tr>
<td>Eigen value</td>
<td>2.694</td>
<td>1.342</td>
<td>1.176</td>
</tr>
<tr>
<td>Percentage of variance explained</td>
<td>20.727</td>
<td>10.322</td>
<td>9.044</td>
</tr>
<tr>
<td>Cumulative percentage of variance explained</td>
<td>20.727</td>
<td>31.049</td>
<td>40.094</td>
</tr>
</tbody>
</table>

Varimax rotation was performed. Factor loadings greater than .46 are shown in bold.

Response categories were from 1 = fully agree to 4 = fully disagree. The alpha coefficient was .67.

*Independent variables:* the variables were measured as follows:

*Gender:* a dummy variable coded 1 for men and 0 for women. *Age* – measured in years starting from 14 to 74. *Occupational categorization:* three groups were distinguished: students, employed people, and retired people. *Marital status:* a dummy variable coded 1 for married, cohabiting or in a registered partnership individuals, and 0 for unmarried, divorced, separated, and widowed ones. *Education:* a dummy variable coded 1 for individuals with basic/secondary, and 0 for individuals with high education. *Area of living:* a
dummy variable coded 1 for individuals living in urban areas, and 0 for those living in rural areas.

RESULTS

The hypotheses were tested through linear regression to examine the impact of individual factors on individual’ perceptions of overall gender inequality. Before running a regression analysis, means, standard deviations, and correlations were performed (Table 3).

Table 3  Means, standard deviations, and correlations

<table>
<thead>
<tr>
<th>1. Gender (o=women)</th>
<th>Mean</th>
<th>s.d.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.47</td>
<td>.460</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Marital status</td>
<td>0.72</td>
<td>.448</td>
<td>.059*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(o=unmarried, divorced, separated, and widowed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Education(o=high education)</td>
<td>0.69</td>
<td>.465</td>
<td>.088**</td>
<td>-.139**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Living Area(o=rural areas)</td>
<td>0.63</td>
<td>.484</td>
<td>-.043*</td>
<td>-.082**</td>
<td>-.130**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Occupational categorization(student)</td>
<td>0.34</td>
<td>.473</td>
<td>.066*</td>
<td>-.154**</td>
<td>.232**</td>
<td>.119**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Occupational categorization (employed person)</td>
<td>0.60</td>
<td>.491</td>
<td>.034</td>
<td>.129**</td>
<td>-.289**</td>
<td>.077**</td>
<td>.088*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Occupational categorization(retired person)</td>
<td>0.46</td>
<td>.499</td>
<td>.037</td>
<td>.044</td>
<td>-.058</td>
<td>-.097**</td>
<td>-.651**</td>
<td>-.228**</td>
<td></td>
</tr>
<tr>
<td>8. Perceptions of overall gender inequality (perceiving gender inequality to a greater extent ➔ perceiving gender inequality to a lesser extent)</td>
<td>1.61</td>
<td>.421</td>
<td>.226**</td>
<td>.030</td>
<td>.057*</td>
<td>.002</td>
<td>.102**</td>
<td>-.054*</td>
<td>-.065*</td>
</tr>
</tbody>
</table>

Table 4 presents the results of OLS regression analysis in the model of individuals’ perceptions of overall gender inequality. The base case for the analysis were students, therefore, they are not shown in the Table.
Table 4 Results of linear regression analysis of individuals’ perceptions of overall gender inequality

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Model of individuals’ perceptions of overall gender inequality (perceiving gender inequality to a greater extent → perceiving gender inequality to a lesser extent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
</tr>
<tr>
<td>Gender (0=women)</td>
<td>.191</td>
</tr>
<tr>
<td>Marital status (0=unmarried, divorced, separated, and widowed)</td>
<td>.028</td>
</tr>
<tr>
<td>Education (0=high education)</td>
<td>.021</td>
</tr>
<tr>
<td>Living area (0=rural areas)</td>
<td>.016</td>
</tr>
<tr>
<td>Occupational status:</td>
<td></td>
</tr>
<tr>
<td>Employed person (1 = employed)</td>
<td>-.052</td>
</tr>
<tr>
<td>Retired person (1 = retired)</td>
<td>-.068</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.146</td>
</tr>
<tr>
<td>$F$</td>
<td>16.540***</td>
</tr>
<tr>
<td>$N$</td>
<td>1583</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001 (significance levels are based on one-tailed test)

As suggested in hypothesis 1, women perceived overall gender inequality to a greater extent than men. Next, hypothesis 2, which stated that students perceive overall gender inequality to a lesser extent than employed and retired people, is supported. Both employed and retired people were found to perceive overall gender inequality to a greater extent than students. Neither hypothesis 3, according to which there is a negative relationship between marriage and individuals’ perceptions of overall gender inequality, nor hypothesis 4, which stated that there is a positive relationship between education and individuals’ perceptions of overall gender inequality, were supported. The finding that marital status is not significant in determining individuals’ perceptions of overall gender inequality supports the statement of Lehto (1999) that the male breadwinner model has never been introduced in Finland due to a rapid transfer of the agricultural partnership model of working to industrial and post-industrial one, and, thus, marital status is not relevant in determining individuals’ perceptions of overall gender inequality. Finally, hypothesis 5, according to which living in a rural area is positively related to individuals’ perceptions of greater overall gender inequality, was also not supported. To sum up, individuals’ perceptions of overall gender inequality were found to vary considerably across individuals’ gender and occupational categorization. However, marital status, education, and living area did not have a significant effect on their perceptions.

**DISCUSSION AND CONCLUSION**

Existing research on gender inequality has examined the phenomenon and the reasons for it in depth but has not yet thoroughly examined individuals’ perceptions of overall gender inequality. To what extent do Finnish students, employed, and retired people perceive overall gender inequality? What has an impact on the way they perceive it? Is it their life experiences or some demographical background factors? This study attempts to answer
these questions by analyzing perceptions of students, employed, and retired people of overall gender inequality. Examining factors that have an impact on whether and to what extent individuals perceive overall gender inequality to exist may help answering the question of why gender inequality persists and how to overcome it. For this purpose, the current study provides a theoretical model of factors hypothesized to influence individuals’ perceptions of overall gender inequality and tests it by applying the data of the Finnish Gender Equality Barometer 2008.

The empirical evidence of the current study suggests some additions to the existing literature. The study supports prior research emphasizing that men and women often differ in the perceptions (Rotundo et al., 2001, Ngo et al., 2003). The study supports the gender socialization perspective (Stockard, 1999), according to which men and women may be socialized to perceive behaviours differently in a way that women perceive overall gender inequality to a greater extent than men.

The finding that employed and retired people perceived overall gender inequality to a greater extent than others is also noteworthy. To the best of my knowledge, none of the previous studies included occupational categorization as a factor predicting individuals’ opinions concerning gender inequality. This provides a unique contribution.

In the theoretical part of the paper, employed and retired people were hypothesized to perceive overall gender inequality to a greater extent than students. This reasoning was based on earlier empirical studies. The results of the paper showed that both employed and retired people perceived overall gender inequality to a greater extent than students. The finding that employed people perceived overall gender inequality to a greater extent than student might be explained by occupational socialization theory (Smith and Rogers, 2000), according to which employed people are socialized within their work environment through training, organizational culture, and workplace rewards. Thus, they might be more conscious of the cases where men and women are treated differently while performing similarly.

This result also may mean that labor market experience leads to greater perceptions of gender inequality among people. While both employed and retired people tend to be more conscious of overall gender inequality, students might face less gender inequality or they may not yet have experienced it. Shapiro’s and Kirkman’s (2001) anticipatory injustice model might be helpful in explaining this tendency. According to the model, people’s perceptions match their schemata, which are based on their prior experience. The more experience people gain, the more is the likelihood that they have experienced injustice and thus continually sees it. In contrast, the less experience people have, the less formed attitudes they possess, and the less is the likelihood that they perceive overall gender inequality. Since both employed and retired people in general have more experience than students, they were found to perceive overall gender inequality to a greater extent than students.

Overall, the finding that employed and retired people perceived overall gender inequality to a greater extent than students calls for additional qualitative research aiming at analyzing whether people with different occupational categorization perceive gender inequality
differently. Common understanding of the existence of gender inequality among people with different occupational backgrounds might be the key to achieving gender equality.

The results of the study could be also of interest for managerial and government officials. Since men continue to perceive overall gender inequality to a lesser extent than women, the study uncovers the need for Finnish government to continue to report information about policies and procedures concerning gender inequality in line with Finnish gender equality policies. This has to be done in order to continue promoting gender inequality awareness among both genders. In order to promote gender equality, managers may want to employ women to supervisory and leadership positions, and reduce inequalities in work duties and financial outcomes. Moreover, since there is room for improvement in terms of eliminating gender inequality in Finland, a gender lesson may be included in a compulsory curriculum of Finnish schools and universities in order to discuss broader issues related to gender inequality. Additionally, more efforts should be made by the media to introduce the concept of gender equality and make Finnish citizens more aware of their rights and opportunities.

**Limitations and future research**

Despite its contribution, the present study has a number of limitations, which may lead to possible future directions of research. Firstly, the studied individual factors explained only 13% of the variance in individuals’ perceptions of overall gender inequality. Lacking longitudinal data, the direction of causality among the variables could not be determined. Further theoretical investigations are thus needed to reveal other factors that have an impact on individuals’ perceptions.

Secondly, the study is based on the Finnish Gender Equality Barometer 2008, which was produced by Statistics of Finland. This data set is an extremely rich and valuable resource, however, it has some methodological limitations such as a lack of validated scales and a lack of theoretically and empirically approved constructs, which may explain rather low Cronbach alpha of the dependent variable.

In addition, since the study was conducted only in Finland, it might not be generalized to other societies. The concept of gender inequality may have different meanings in various locations due to, for example, differences in gender roles (Verloo and Lombardo, 2007). It would be particularly worth seeing whether, for example, students, employees, and retired people considerably differ in their perceptions of overall gender inequality in other countries. An extensive study that explores perceptions of individuals with different experiences is thus needed to confirm the empirical findings of the present exploratory study. An example of such kind of study maybe a comparative research based on the surveys conducted by United Nations Economic Commission for Europe. These surveys apply common gender inequality indexes across European countries, and, thus, are applicable for international comparative studies of gender inequality.

Lastly, the consequences of individuals’ perceptions of overall gender inequality should be studied in the future. Several scholars have recognized that perceptions of gender inequality can be important in predicting cognitive and behavioral reactions such as self-esteem, psychological well-being, and relationships at work (e.g., Foley, Ngo and Loi, 2006).
Individuals’ perceptions of gender inequality can cause stress to repeated cases of gender discrimination and worry that one can be a victim of gender inequality. Together, these consequences call for a more longitudinal empirical research that may identify concrete actions that should be taken into force in order to eradicate both the perceived gender inequality and the actual one.

To conclude, I would like to mention that more studies should investigate the issue of individuals’ perceptions of overall gender inequality because a broader analysis of individuals’ perceptions and opinions may enlarge our understanding of the reasons and peculiarities of gender inequality. This may, in turn, provide an alternative solution for eliminating gender inequality not only in Finland but elsewhere.
REFERENCES


APPENDIX 3

Gender pay gap and its perceptions

Author: Violetta Khoreva

INTRODUCTION

For some time, gender pay inequalities have been one of the most intensively researched topics in social science (Hill and Silva, 2005; Rubery, Grimshaw and Figueiredo, 2005). A discussion has circulated around the gender pay gap, which is also known as the “gender wage gap”, the “gender gap in earnings” or “male-female income disparity”. The gender pay gap refers commonly to the difference in average hourly earnings of male and female employees after controlling for human capital factors such as education and tenure (adapted from various papers of Blau and Kahn; see, for instance, Blau and Kahn, 2006). The topic of the gender pay gap has attracted a diverse set of literatures, including economics (e.g., Blau and Kahn, 2006; Groshen, 1991), sociology (e.g., Hannan, Schomann and Blossfeld, 1990), psychology (e.g., Stroh, Brett and Reilly, 1992), and human resource management (e.g., Heneman, 1985). The issue has also attracted the attention of the European Commission, the US government as well as the general populace of many other countries.

The existence of the gender pay gap almost all over the world has generated the need to better understand various factors contributing to it (Blau and Kahn, 2006; Rubery et al., 2005). Auster (1989) grouped the main explanations of the gender pay gap into two main categories: macro level, where women are seen as a homogeneous group, and micro level, which concentrates on psychological approaches viewing women as a heterogeneous diverse group. At the macro level the focus is on economic theories, which provide explanations of the phenomenon based on such factors as differences in education, work experience, amount of starting salary as well as general explanations such as different types of discrimination (e.g., Grybaite, 2006; Keaveny, Inderrieden and Toumanoff, 2007; Mitra, 2002). Micro level explanations of the gender pay gap include such personal factors as individual preferences and forces, which change values and attitudes towards working conditions and compensation practices (e.g., Bren and Garcia-Penalosa 2002; Hakim, 2000; Giapponi and McEvoy, 2006).

Although the gender pay gap exists almost all over the world (e.g., Corporate Gender Gap Report, 2010), study after study demonstrated that many individuals did not perceive its existence (Blackaby, Booth and Frank, 2005; Lange, 2008). Several scholars documented that their sampled respondents did not perceive the existence of the gender pay gap even when the gap was statistically determined (Jackson and Grabski, 1988; Jamali, Sidani and Kobeissi, 2008; Lange, 2008).

In contrast, in order to discover the attitudes of Europeans towards the gender pay gap, the European Commission launched a two phase European-wide communication campaign on the gender pay gap in 2009. A recent study conducted by the Eurobarometer (2009), based on this commission, found that around half of Europeans consider the gender pay gap as one of the priorities for action in the field of gender equality. Moreover, around 82% of Europeans thought that the issue of the gender pay gap should be addressed urgently.
Differences in findings of academic research and the Eurobarometer may lie in the explanations of the gender pay gap. If the gender pay gap is mainly a result of observable differences among individuals such as differences in education, skills, length of work experience, it is not surprising that individuals do not perceive the existence of the gender pay gap. Quite the opposite, if the gender pay gap is due to unexplained variables such as various types of discrimination, individuals might perceive to a greater extent and struggle against it.

Generally speaking, there is a visible gap between the gender pay gap and the way individuals distinguish and perceive it regardless of the reasons of the gap. Investigating the perceived gender pay gap, which refers to the way individuals perceive the differences in average hourly earnings of male and female employees after controlling for human capital factors such as education and tenure, is crucial because failing to see it can be costly (Okpara, 2006). For instance, if a woman gets lower salary for the same work made by a man, she is worse off economically. In contrast, if an individual perceives the existence of the gender pay gap that does not occur statistically, it can cause stress, worry, and job dissatisfaction.

Several explanations have been offered to account for individuals’ perceptions of the gender pay gap. Lange (2008) argued that the gender pay gap might not be perceived as such if it does not match a stereotype. The fact that many female employees consistently perceive less pay as fair in comparison with their male counterparts could be another reason why victims of the gender pay gap might not perceive the existence of the gap (Gerhart and Rynes, 2003). Alternatively, women may recognize the gender pay gap but accept it by considering other aspects of work as more important. According to Jackson and Grabski (1988), women may restore psychological equity in the face of actual gender pay gap, which they may view as beyond their power to redress.

Given these explanations, most research focused on why women and men perceive the gender pay gap differently (Judge and Livingston, 2008). However, in practice, not only gender has an impact on the way individuals in various organizations, industries and societies perceive the gap. More theoretical and empirical work is needed to shed light on the question of how individuals understand the phenomenon of the gender pay gap and why they perceive the phenomenon differently across different workplaces and countries. A thorough study is required to explore the whole range of individual and organizational factors that may have an impact on whether and to what extent individuals perceive the gender pay gap to exist.

This paper broadens the domain of the gender pay gap research by developing a conceptual model of the factors that influence individuals’ perceptions of the gender pay gap. By scrutinizing social comparison (Festinger, 1954), equity (Adam, 1965), occupational socialization (Smith and Rogers, 2000), relative deprivation (Crosby, 1982), expectancy (Vroom, 1964) and social dominance theories (Sidanius and Pratto, 1999) as well as the gender socialization perspective (Stockard, 1999), the current paper links a number of theories and perspectives in order to identify individual and organizational antecedents of individuals’ perceptions of the gender pay gap.
Drawing on the literature, the next section presents an extensive theoretical analysis of each factor which is suggested to have an impact on individuals’ perceptions of the gender pay gap. The last section provides conclusions, limitations, and directions for future research.

**THEORY AND PROPOSITIONS**

Various factors have to be taken into account when examining whether and to what extent individuals perceive the gender pay gap to exist. What has an impact on the way individuals perceive it? Is it their life experiences, their background or a society where they live? This paper aims at answering those questions by developing a conceptual model of individual and organizational factors proposed to influence individuals' perceptions of the gender pay gap.

**Individual factors**

*Pay expectations:* pay expectations can have an impact on the way individuals perceive the gender pay gap because individuals' perceptions of financial rewards of others are affected by the perceptions of whether their own opportunities are equal to the opportunities of others. Pay expectations, or as economists call them – reservation wage, are determined by individual wealth, labour market opportunities, opportunity costs of work performed at home, length of employment, age, skill level, and other factors. Furthermore, according to social comparison theory (Festinger, 1954), pay expectations are determined by social comparison information. Individuals make comparisons among themselves, others, and the idealized images. Several models have been introduced based on social comparison theory. One of them is the triadic model, which proposes that individuals with similar attributes and opinions are influential to each other (Suls, Martin and Wheeler, 2002). This may mean that those individuals who have low expectations tend to compare themselves with those individuals who have similar expectations.

Individuals with low pay expectations may believe that less pay is a reasonable pay not only for themselves but also for others (Jackson and Grabski, 1988). In this case, individuals with low pay expectations are suggested to build their pay expectations for others based on the knowledge of other individuals with similar pay. Individuals with low pay expectations might be less likely to be surprised and to consider somebody's salary to be unreasonable when they learn about this person's salary. Accordingly, individuals with low expectations are expected to perceive the gender pay gap to a lesser extent than individuals with high pay expectations. Thus, the following proposition is formulated:

**Proposition 1:** individuals with lower pay expectations will perceive the gender pay gap to a lesser extent than individuals with higher pay expectations.

*Gender role orientation:* gender role orientation may determine whether and to what extent individuals perceive the gender pay gap to exist. Gender role orientation is defined as the beliefs that individuals hold about the proper roles for men and women at work and at home (Judge and Livingston, 2008). Gender role orientation can be either traditional or egalitarian. Traditional conception of gender role orientation suggests that men specialize in the market work and build their careers with support from families, who provide them with confidence, while women primarily care about family and think about their careers only
afterwards. Alternatively, egalitarian gender role orientation allows flexibility for both men and women. By relaxing the gendered separation of work and family, it intends to manage people’s market and domestic household duties (Judge and Livingston, 2008).

Individuals holding traditional gender role orientation tend to follow a traditional division of labour preserving power and superior privilege held by men. They might be less concerned about gender inequalities and the gender pay gap in particular. In contrast, individuals with egalitarian gender role orientation are expected to perceive gender inequalities to a greater extent than others because they are more likely to adjust their attitudes on the basis of evidence they receive rather than on traditional conceptions (Duehr and Bono, 2006). Individuals with egalitarian gender role orientation might be more likely to have learnt or heard about the gender pay gap. Individuals holding traditional gender role orientation are, thus, suggested to perceive the gender pay gap to a lesser extent than members of those groups who possess egalitarian gender role orientation. The following proposition summarizes this reasoning:

**Propositions 2:** individuals with traditional gender role orientation will perceive the gender pay gap to a lesser extent than individuals with egalitarian gender role orientation.

**Perceived pay fairness:** if there are general differences in the importance individuals attach to pay fairness, then there might be general differences in the significance they attribute to the gender pay gap. In fact, individuals, who perceive less pay fairness than others, may have less respect for their jobs, be less satisfied with their work in general, and, as a result, they might perceive the gender pay gap to a greater extent than individuals who perceive more pay fairness.

Individuals evaluate pay in relation to some notion of what fair pay ought to be. According to Heneman (1985), perceived pay fairness is a function of the difference between an estimated pay level and what an employee thinks his/her pay should be. Furthermore, according to Adam’s (1965) equity theory, individuals scale a variety of factors (e.g. effort, performance) in estimating relevant inputs and outcomes. A person (P) evaluates the fairness of his/her pay level in comparison with other (CO), which is another person or a situation that P has experienced in the past or thinks likely to be in future. P compares his/her own ratio of perceived outcomes (O) (e.g. salary) to perceived inputs (I) (e.g. effort, performance), with the O/I ratio of CO: Op/Ip<,>, or=OCO/ICO? If P’s ratio is smaller than the CO’s ratio, P feels under-rewarded and vice versa.

Equity theory suggests that in-balance between perceived inputs and outcomes are not motivators and, thus, the theory is more likely to be relevant for studying dark sides of reactions to compensation decisions (Gerhart and Rynes, 2003). Since perceptions of the gender pay gap are one of the less “desirable” employees’ attitudes to pay from the employer’s perspective, equity theory is relevant for studying it.

According to the theory, individuals, who perceive themselves as under-rewarded, experience distress and inequity. The greater the inequity, the more distress individuals feel, and the more they attach attention towards pay injustice (Walster, Traupmann and Walster, 1978). Since pay influences behaviour through its effects on individual’s attitudes and
perceptions, perceived pay fairness is expected to have an impact on individuals’ perceptions of the gender pay gap in a way that the more an individual perceives pay fairness, the less he/she is concerned about pay inequalities and the less he/she perceives the gender pay gap. The following proposition is thus suggested:

**Proposition 3:** individuals with higher perceived personal pay fairness will perceive the gender pay gap to a lesser extent than individuals with lower personal perceived pay fairness.

**Gender:** men and women act the way they do in part because of gender socialization (Parsons and Bales, 1956). Several theories including social learning, gender schema and psychoanalytic theories have attempted to clarify the process of gender socialization (Stockard, 1999). All these theories share the assumption that gender socialization leads to the construction of a society where individuals are put into certain social roles. Based on the gender socialization, men and women receive positive reinforcement when they behave in ways appropriate to their gender while receiving negative reinforcement for behaving like the opposite gender (Smith and Rogers, 2000). Furthermore, due to gender socialization, men and women obtain differential roles and positions in organizations.

In line with the gender socialization, Powell and Mainiero (1992) argued that women may lack access to informal communication networks that their male colleagues often possess to obtain knowledge about pay including pay raises, bonuses, and promotions. According to these scholars, women have to rely more on formal procedures and systems to obtain organizational outcomes due to a history of gender discrimination and gender-role stereotyping that has excluded them from fair decision-making process. Furthermore, both Sweeney and McFarlin (1997), and Lee and Farh (1999) suggested that men have been socialized to achieve satisfaction from outcomes, such as pay and knowledge about it, while women have been socialized to achieve satisfaction from the process of interacting and the procedural system in general rather than being keen on the knowledge of pay.

Going along with the gender socialization perspective, I propose that although women are often under-rewarded, they are less sensitive towards the gender pay gap than their male counterparts due to different pay comparison. This tendency occurs since men are more likely to compare themselves with other male and female colleagues working in similar positions outside the organization. Since men tend to be more outcome oriented and women more process oriented, women are expected to perceive the gender pay gap to a lesser extent than men also in part due to their higher level of obtained knowledge about pay of others. The following proposition is thus suggested:

**Proposition 4:** women will perceive the gender pay gap to a lesser extent than men.

**Age:** age can also have an impact on the way the gender pay gap is perceived. According to occupational socialization theory (Smith and Rogers, 2000), older individuals are more socialized and are more sensitive towards gender inequality than younger ones. In line with the theory, Paul (2006) demonstrated that older individuals perceive gender pay inequalities to a greater extent than younger ones. Jackson and Grabskin (1988: 622) argued that older individuals are more aware of the costs of living than younger ones due to the “wisdom of experience”. They experience more financial pressures, more child-raising duties and other
responsibilities such as aging parents. Furthermore, older individuals are more aware of the cases where financial rewards are different for women and men who perform similarly (Judge and Livingston, 2008). Accordingly, older individuals are expected to perceive the gender pay gap to a greater extent than younger ones.

**Proposition 5:** younger individuals will perceive the gender pay gap to a lesser extent than older individuals.

*Marital status:* marital status of an individual should also be taken into account when analysing individuals’ perceptions of the gender pay gap. Relative deprivation theory (Crosby, 1982) might be useful in understanding why the gender pay gap is not necessarily perceived with the same importance by married individuals as by unmarried ones. According to the theory, married individuals differ in the relative value they place on the various outcomes and characteristics of their marriages. In many cases, employers may believe that female married employees are supported financially by their spouses, and this, in turn, may be used to legitimate offering them lower salaries (Winslow-Bowe, 2009). In contrast, male married employees are likely to be given greater responsibility, promotion, relocation opportunities, and salaries based on the assumption that they have families to care for (Winslow-Bowe, 2009). In other words, if a wife’s salary is believed to be a secondary income and a husband is expected to earn more than a wife, then it is not uncommon that both members of a family consider that husband’s salary should be higher than wife’s. Consequently, marital status is expected to have an impact on individuals' perceptions of the gender pay gap in the way that a married individual will perceive the gender pay gap to a lesser extent than an unmarried one.

**Proposition 6:** married individuals will perceive the gender pay gap to a lesser extent than unmarried individuals.

*Education:* individuals, who are more highly educated or who hold more cognitive ability or both are likely to be more critical of the traditional labour segregation where women’s work is considered to be less financially valuable than men’s. It may happen so because these individuals have a tendency to adjust their attitudes on the basis of evidence they come across rather than based on historical norms (Judge and Livingston, 2008). Accordingly, those individuals who have high education are more likely to have learnt about gender inequalities and about the gender pay gap in particular. Individuals with higher education are thus expected to perceive the gender pay gap to a greater extent than individuals with lower education.

**Proposition 7:** individuals with higher education will perceive the gender pay gap to a greater extent than individuals with lower education.

**Organizational factors**

*Sector gender composition:* sector gender composition promotes a tendency to devalue women’s work and might be one of the key factors in determining individuals' perceptions of the gender pay gap. For example, Jackson and Grabski (1988) came in their study to the conclusion that lower pay was perceived as more reasonable in female-concentrated rather
than in male-concentrated sectors by both genders, which meant that individuals perceived the gender pay gap to a lesser extent in female-concentrated rather than in male-concentrated sectors.

A relevant explanation on how sector gender composition can influence individuals’ perceptions of the gender pay gap is based on expectancy theory (Vroom, 1964). According to the theory, changes in perception are likely to affect the motivation to perform as well as create feelings of inequality. The theory describes the value of the reward, the performance-reward connection and the performance-effort connection. The value of the reward, financial compensation in this case, appears to have been risen for women recently. In the past, there was a tendency to undervalue performance-reward connections in female-concentrated sectors since women were more likely to work in sectors which provided services rather than produced products. As women started moving into male-concentrated sectors, the performance-reward connection became more comprehensive, but there are still some female-concentrated sectors where the establishment of the performance-reward connection is at the very beginning. The performance-effort connection is also uncertain in many female-concentrated sectors. For example, a study of Lange (2008) showed that many women are reluctant to ask for the salary they call for in female-concentrated sectors and are satisfied with less salary than their male counterparts. Consequently, individuals in female-concentrated sectors are expected to perceive the gender pay gap to a lesser extent than individuals in male-concentrated sectors because lower pay is perceived as more reasonable in female-concentrated sectors.

**Proposition 8:** individuals in female-concentrated sectors will perceive the gender pay gap to a lesser extent than individuals in male-concentrated sectors.

**Occupational status:** occupational status might also have an impact on individuals’ perceptions of the gender pay gap. According to social dominance theory (Sidanius and Pratto, 1999), individuals are motivated to believe that they live in a world where everyone gets what he/she deserves. Hence, the fact that individuals in high and moderate-status occupations get higher financial rewards than individuals in low-status occupations is a reflection of effort and is justified (Rosette and Thompson, 2005). Accordingly, individuals in moderate and high-status occupations are expected to possess higher standards of what forms a reasonable reward than individuals in low-status occupations and, thus, perceive pay inequalities and the gender pay gap in particular to a lesser extent than individuals in low-status occupations. The following proposition is thus presented:

**Proposition 9:** individuals in low-status occupations will perceive the gender pay gap to a greater extent than individuals in moderate and high-status occupations.

**CONCLUSION**

Existing research on the gender pay gap has examined the phenomenon and the reasons for it in depth but has not yet adequately examined whether and to what extent individuals perceive the gender pay gap to exist. This paper broadens the domain of the gender pay gap research by exploring individuals’ perceptions of it. Examining the factors that have an impact on the way individuals perceive the gender pay gap helps answering the question of
why it persists and how to overcome it. For this purpose, this paper provides a conceptual model of the factors proposed to influence individuals' perceptions of the gender pay gap by adopting social comparison, equity, occupational socialization, relative deprivation, expectancy, and social dominance theories as well as the gender socialization perspective.

Theoretical implications

The following paper has some theoretical implications. Its main theoretical contribution is that it draws together different theoretical perspectives into the model of individuals' perceptions of the gender pay gap. Based on social comparison theory, perceptions of the gap are suggested to be the result of the way individuals make comparisons among themselves, others, and the idealized images. Following the argumentation of equity theory, individuals who perceive themselves as under-rewarded and attach more attention towards pay injustice are expected to perceive the gender pay gap to a greater extent than others. Furthermore, according to the gender socialization perspective, men and women are socialized to perceive different organizational rewards as equal and, thus, perceive the gender pay gap differently. In a similar line of argumentation, occupational socialization theory states that older individuals are more socialized and, thus, are more aware of the gender pay gap than younger ones. Finally, derived from relative deprivation, marital status is expected to have an impact on individuals’ perceptions of the gap so that married individuals perceive the phenomenon to a lesser extent than unmarried ones.

In addition, based on the expectancy theory, sector gender composition is proposed to influence the way individuals perceive the gender pay gap so that individuals in female-concentrated sectors perceive the phenomenon to a lesser extent than individuals in male-concentrated ones. Derived from social dominance theory, it is assumed that individuals in moderate and high-status occupations possess higher standards of what forms a reasonable reward and, thus, perceive pay inequalities and the gender pay gap in particular to a lesser extent than individuals in low-status occupations.

Practical implications

Active distribution of information of pay system-related issues, such as how decisions are made, may lead to an increased understanding among female employees of their salaries and monetary worth (Barron, 2003). Thus, besides the obvious suggestion of eliminating the gender pay gap between men and women, managers may want to involve their female employees in the design of any improvement of pay systems so that women will have better access to pay information and have an opportunity to see how an even-handed pay system is implemented. There is also a need for management to report information about policies and procedures concerning the gender pay gap. Managerial support of eliminating the gender pay gap may be revealed by employing women to supervisory and leadership positions, and reducing inequalities in work duties and financial outcomes. Moreover, women who are negotiating their salaries might need special training to ask for a higher salary than originally planned and to focus on the reasons they are entitled to this salary. Women should be aware of the gender pay gap and, thus, try their best not to accept such situations in their workplaces.
Gender awareness programmes should continue to aim at acknowledging both employers and employees that the gender pay gap is an issue which concerns each of them and each of them is responsible for solving the problem. One of the suggestions of raising awareness about the gender pay gap is to include members of the oppressed groups in the blueprint of educational programmes. Such collaboration may lead to the engagement of the experiential knowledge of the gender pay gap and professional skills (Baker, Lynch, Cantillon and Walsh, 2004). Moreover, the suggestion is to include a gender lesson in compulsory curriculum of schools and universities in order to discuss and be aware of gender issues. Additionally, more efforts should be made by the media to discuss the concept of the gender pay gap and make women more aware of their rights and opportunities.

Overall, although equal pay programmes and policies have opened up the avenue for many women, many steps have to be pushed forward by letting every organizational and societal member to be aware of gender pay inequalities and by forcing every participant to realise his/her rights and opportunities. However, it is obvious that pay laws are not in themselves sufficient to close the gender pay gap. Increasing general awareness about gender pay inequalities may change peoples’ behaviour patterns which can lead to the pay gap. Increasing public awareness of gender pay inequalities may, in turn, change peoples’ cultural expectations of the male breadwinner role and the corresponding “family wage”, which have an impact on individuals’ perceptions of the gender pay gap.

Many individuals come to organizations with lots of motivations, expectations and contributions and some of them continue to perceive organizations as an equal arena for development and promotion. They consistently assert that there are no gender pay differences within their organizations due to a widespread perception that the gender pay gap no longer exists. Many of them are devastated afterwards when this assumption is shown to be false in practice since most of the organizations continue to be full of barriers, which are constituted by certain sections of society that continue to enjoy power and gender pay inequality.

Limitations and future directions

Regardless of the growing literature concerning the gender pay gap, there is a limited research on whether and to what extent individuals perceive the phenomenon. This paper broadens the domain of gender pay gap research by developing a conceptual framework, which describes concrete factors that facilitate individuals’ perceptions of the gender pay gap.

Despite its contribution, the paper has a number of limitations, which may provide indications for future directions of the research. First of all, it might be suggested that propositions cannot be sufficiently generalized to all societies. The perceived gender pay gap can have different meanings in various cultures due to differences in gender roles. An extensive empirical study that explores perceptions of individuals from various countries is thus needed to confirm present propositions. An example of such kind of a study could be a comparative research based on the surveys conducted by United Nations Economic Commission for Europe or by European Commission.
Secondly, the interaction effects of the proposed antecedents on individuals’ perceptions of the gender pay gap were not under investigation in this paper. However, different results might be expected when, for example, men and women with different background are compared. Thus, the body of knowledge about the interaction impact of various factors on a complex area of the perceived gender pay gap should be enlarged.

Given the sensitive nature of the research area, policy-capturing technique is considered to be one of the most appropriate ways to examine such personal information as individuals’ perceptions of the gender pay gap. Policy-capturing design allows obtaining more generalizable outcomes by asking the research respondents to act how they would when evaluating pay inequalities between genders instead of directly asking individuals whether and to what extent they perceive the gap to exist (Zhou and Martocchio, 2001). In addition, policy-capturing technique provides researchers with an opportunity to examine multiple factors that might simultaneously affect the way individuals perceive the gender pay gap and examine them in a relatively indirect way, which is more likely to obtain accurate results than the direct approach (Zhou and Martocchio, 2001).

The consequences of the perceived gender pay gap are also recommended to be studied in future. For instance, Foley, Ngo, and Loi (2006) recognized that perceptions of the gender pay gap can be important in predicting cognitive and behavioural reactions such as self-esteem, psychological well-being, and relationships at work. The perceived gender pay gap can cause stress to repeated cases of gender discrimination and worry that one can be a victim of the gender pay gap. Together, these consequences call for a more longitudinal and multilevel empirical research that may identify concrete actions that should be taken in order to eradicate perceived gender pay inequalities and the statistical gender pay gap.

Overall, the paper will hopefully encourage more theoretical and empirical work and an expanded set of both theoretical and empirical implications. Empirical examination of the relationships between the depicted determinants and the perceived gender pay gap based on the conceptual framework is suggested to enrich the research in the field of gender studies.
REFERENCES


APPENDIX 4

Reactions to pay inequity and procedural injustice among male and female employees

Authors: Violetta Khoreva and Aino Tenhiälä

Abstract: by integrating social comparison theory and the gender socialization perspective with equity theory and organizational justice literature, the current study examines whether the impact of pay inequity and perceptions of procedural justice on organizational commitment differ by gender. Based on the data from the personnel of two Finnish universities, the empirical analysis shows differences in how men’s and women’s organizational commitment is affected by pay inequity and perceptions of procedural justice. These differences are partly explained by factors related to social comparisons and gender socialization. Implications for theory, practice, and future directions are discussed.

INTRODUCTION

Previous studies on organizational justice have come to somewhat inconsistent conclusions regarding gender differences in the effect of equity (e.g., Graham and Welbourne, 1999) and organizational justice (e.g., Lee and Farh, 1999; Major and Adams, 1983; Major and Deaux, 1982; Sweeney and McFarlin, 1997) on organizational commitment. In this paper, we aim at contributing to these debates by integrating social comparison theory (Festinger, 1954) and the gender socialization perspective (Stockard, 1999) into analysis of gender differences in individual responses to organizational injustice.

As indicated by Adam’s equity theory (1965), employees compare their own ratio of perceived outcomes (e.g., salary) to perceived inputs (e.g., effort, performance). As a result of these comparisons, they may feel under-, over- or fairly rewarded. Individuals who perceive to be under-rewarded (i.e., pay inequity), experience negative emotional reactions, such as job dissatisfaction, distress (Fields, Pang and Chiu, 2000), reduced well-being and respect for their jobs (Tepper, 2001), and emotional exhaustion (van Dierendonck, Schaufeli and Buunk, 2001). In addition, pay inequity can result in feelings of anger, powerlessness, decreased satisfaction with various facets of the job, increased intentions to quit the job, and decreased organizational commitment (Huseman, Hatfield and Miles, 1987; Stone-Romero and Stone, 2005).

Individuals’ perceptions of justice may also guide a range of their key attitudes and behaviours (Lee and Farh, 1999). According to procedural justice theory (Thibaut and Walker, 1975), perceptions of procedural justice reinforce feelings of self-esteem, improve control over the outcome allocations, and signal a respect for morality (cf. de Cremer and Tyler, 2005). Empirical evidence has demonstrated that perceptions of procedural justice are associated with organizational system evaluations such as organizational commitment (Greenberg, 1990; Korsgaard, Schweiger and Sapienza,
Accordingly, based on evidence supporting equity and procedural justice theories, both pay inequity and perceptions of procedural injustice are related to lower levels of organizational commitment. However, studies that have explored whether these relationships vary by gender have come to contradictory results. Female employees tend to earn less than their comparable male counterparts, controlling for both supply- and demand-factors (Corporate Gender Gap Report, 2010). Thus, generally an imbalance between input and output exists among female employees, compared to male employees. Female employees are more likely to question the equity of pay than their male colleagues because, in many cases, female employees are subjected to unequal treatment (Graham and Welbourne, 1999). As a result, female employees would be less satisfied with their salaries and less committed towards their organizations than their male counterparts. Despite the intuitive logic of this assumption, not many studies support it (Nie, Hopkins and Hopkins, 2002).

In contrast, most empirical research demonstrates that female employees are less sensitive towards pay inequity due to differences in preferences (Major and Konar, 1984), females’ sense of acceptance of pay inequity in job rewards (Peng, Ngo, Shi and Wong, 2009), differences in pay and benefit negotiations (Gerhart and Rynes, 1991; Kray, Thompson and Galinsky, 2001; Stuhlmacher and Walters, 1999), and differences in pay expectations (Balkin and Gomez-Mejia, 2002; Heckert, Droste, Adams, Griffin, Roberts, Mueller and Wallis, 2002; Keaveny and Inderrieden, 2000; Keaveny, Inerrieden and Toumanoff, 2007; Major and Konar, 1984). Alternatively, Nie et al. (2002) have proposed that the differences in rewards might be so small between male and female employees that they do not perceive conditions for unfairness. Lange (2008) has argued that statistically detected pay inequity might not be perceived as such if it does not match gender pay disparity stereotype and, therefore, many female employees are not aware of it or accept it by considering other aspects of work as more important. Furthermore, while Crosby (1982) has referred to the tendency of female employees to be subjectively satisfied with their salary in spite of objective underpayment as ‘the paradox of the contented female worker’, Jackson and Grabski (1988: 623) have proposed that females may “restore psychological equity in the face of actual inequalities, which they may view as beyond their power to redress.”

Further, there is evidence that while male employees tend to focus on distributive justice, female employees tend to be more interested in procedural justice (Major and Adams, 1983; Major and Deaux, 1982; Sweeney and McFarlin, 1997). Scholars have concluded that this tendency occurs because women are more likely to rely on fair procedural justice in order to maintain their sense of organizational justice. Yet, there is little research that would have examined whether men and women are affected differently by procedural justice. Exceptions include the study of Sweeney and McFarlin (1997), who have found that the relationships between procedural justice and various organizational outcome variables were stronger for women than for men. Further, Lee
and Farh (1999) have come to a conclusion that although men and women are similarly concerned about procedural justice, women appear to show higher organizational commitment and trust in supervisors than men. Since the results of the studies addressing the gender differences in reactions to injustice are inconsistent, further investigation is needed to shed light on the possible moderating effect of gender on the relationships between procedural justice and work-related attitudes and behaviours such as organizational commitment.

All in all, as Colquitt and Greenberg (2003) have mentioned, organizational justice is ‘a promising young adult’ who has more room to grow and mature. In this study we aim at broadening the organizational justice literature by addressing the inconsistency in the studies’ results concerning the impact of gender on the relationships between pay inequity, perceptions of procedural justice, and organizational commitment. By integrating social comparison theory (Festinger, 1954) and the gender socialization perspective (Stockard, 1999) with equity and procedural justice theory, the current study aims at broadening the knowledge about the role of gender in reactions to organizational injustice. We discuss why even though female employees tend to earn less than their comparable male counterparts, they often continue to be committed to their organizations to the same or even greater extent than their male colleagues. The study is conducted in Finland, a country that shares with other Nordic countries a culture with relatively high standards for social justice and gender equality (see Scales of Justice, 2011; Corporate Gender Gap Report, 2010; Global Gender Gap Report, 2010).

**THEORY AND HYPOTHESES**

Social comparison theory (Festinger, 1954) explains how individuals evaluate their own opinions and outcomes by comparing themselves with others. Individuals look to the images described by others and subsequently make comparisons among themselves, others, and idealized images. The theory proposes that women have a tendency to use different pay comparisons than men so that female employees are likely to compare their rewards with the rewards of other female employees who have similar education, tenure, and other factors rather than with those of males. Since women tend to be paid less than men, they are likely to base their outcome explanations on, and evaluate the fairness of their outcomes against a lower social comparison standard than do men (Major and Konar, 1984).

Differences in pay expectations may also determine why gender plays a crucial role in reactions to pay inequity. According to social comparison theory, individuals with similar attributes and opinions are relevant to each other and are, thus, influential to each other (Suls, Martin and Wheeler, 2002). This may mean that those individuals who have low pay expectations are expected to compare themselves with those individuals who have similar pay expectations (Jackson and Grabski, 1988). In a similar manner, employees with low pay expectations tend to build their pay
expectations for others based on the knowledge of other employees with similar pay (Balkin and Gomez-Mejia, 2002).

Empirical evidence suggests that female employees tend to have lower pay expectations than their male colleagues. Sweeney and McFarlin (1997) have demonstrated that women tend to under-reward themselves and act more generously toward their co-workers than do their male counterparts. Keaveny and Inderrieden (2000) have found also that female employees continue to report that they deserve lower levels of pay than their male counterparts. Furthermore, Gerhart and Rynes (2003) have proposed that many female employees consistently perceive lower amounts of pay as fair than their male counterparts. Both Heckert et al. (2002) and Keaveny et al. (2007) have showed that female employees have lower pay expectations than their male counterparts at both career-entry and career peak, even after taking into account their length of career and other career-related factors. Accordingly, in line with social comparison theory, we propose that although female employees are often under-rewarded, they tend to be less sensitive towards pay inequity than their male counterparts due to different pay comparisons.

**Hypothesis 1:** gender moderates the relationship between pay inequity and organizational commitment such that the relationship is stronger for male than for female employees.

Another explanation to gender differences in reactions to injustice comes from the gender socialization perspective. Men and women act the way they do in part because of gender socialization (Parsons and Bales, 1956). Several theories including social learning, gender schema, and psychoanalytic theories have attempted to clarify the process of gender socialization (Stockard, 1999). All these theories share the assumption that gender socialization leads to a construction of a society where individuals are put into certain social roles. Based on the gender socialization, men and women receive positive reinforcement when they behave in ways ‘appropriate’ to their gender while receiving negative reinforcement for behaving like the opposite gender (Smith and Rogers, 2000). Furthermore, due to gender socialization, men and women obtain differential roles and positions in organizations. So, by following social conventions, men and women are socialized to perceive procedural justice differently. The same treatment is perceived as fair by one gender and as unequally by the other based on how one is socialized (Ngo, Foley, Wong and Loi, 2003). Consistent with the gender socialization perspective, we expect men and women to differ considerably in their reactions to perceptions of procedural justice. Since male employees tend to be more outcome-oriented and female employees more process-oriented, female employees are suggested to show a stronger reaction to procedural injustice by demonstrating lower levels of organizational commitment.

**Hypothesis 2:** gender moderates the relationship between procedural justice and organizational commitment such that the relationship is stronger for female than for male employees.
In line with gender socialization, Powell and Mainiero (1992) have argued that female employees may lack access to informal communication networks that their male colleagues often possess to obtain knowledge about pay including pay raises, bonuses, and promotions. Female employees are thus likely to rely mainly on formal procedures and mechanisms. Furthermore, Sweeny and McFarlin (1997) have proposed that female employees tend to be socialized to be more sensitive to and interested in relationships with co-workers than male employees. According to these scholars, female employees are likely to rely more on formal procedures and systems to obtain organizational outcomes due to a history of gender discrimination and sex-role stereotyping that has excluded them from fair decision-making process. Furthermore, both Sweeny and McFarlin (1997) and Lee and Farh (1999) have suggested that male employees have been socialized to achieve satisfaction from outcomes such as pay and knowledge about it, while female employees have been socialized to achieve satisfaction from the process of interacting and the procedural system in general rather than being keen on the knowledge of pay.

To sum up our argumentation based on both social comparison theory and the gender socialization perspective, men and women are motivated to compare with similar others based on external and internal targets, where internal targets refer to a comparison with a similar one inside of the organization and external targets refer to a comparison with a similar one in a different organization (e.g. Greenberg, 1990; Sweeney and McFarlin, 2004). In line with the gender socialization perspective, we propose that although female employees are often under-rewarded, they tend to be less sensitive towards pay inequity than their male counterparts due to different pay comparisons. This tendency occurs since male employees are more likely to compare themselves with other colleagues working in similar positions outside the organization. In addition, consistent with gender socialization perspective, we suggest that men and women differ considerably in their reactions to perceptions of procedural justice. Male employees are expected to be less sensitive towards procedural justice than female employees in part due to their higher level of obtained knowledge about pay of others. Based on the above, we expect:

**Hypothesis 3:** the interactive effect of gender and pay inequity/procedural justice on organizational commitment is mediated by (a) pay comparison and (b) access to pay information.

**METHOD**

**Research Context**

It is important to point out that most of the work on gender differences and procedural justice has been done in the USA, other English speaking countries and China (e.g. Graham and Welbourne, 1999; Major and Konar, 1984; Ngo et al., 2003; Peng et al., 2009; Sweeney and McFarlin, 1997). Thus, we should consider the national context in which our study is performed. Finland is a country that, according to a new study
Scales of Justice (2011) published by the Bertelsmann Foundation, ranks 4th among the 31 OECD countries in the index, which is derived from 25 separate indicators. Finland today is also characterized by women’s full-time employment and women’s high educational level. This has been led by governmental action and has the stronger effect on the public sector than on the private one (Hearn, Piekkari and Jyrkinen, 2009). From an international perspective, Finland is currently characterized by reconciliation of work and family and women’s high participation in political life (e.g., Husu, 2001). At the same time, the top positions of the Finnish business companies are mainly occupied by men (Corporate Gender Gap Report, 2010). Thus, women continue to be in a lower power positions than men; there is still a hierarchical difference between employees of different gender. For all these reasons, it is interesting to study whether there are gender differences in individual responses to pay inequity and procedural justice in the Finnish context.

All universities in Finland have recently implemented a new pay system based on evaluation of job demands and performance on the job (based on a local collective bargaining agreement reached the 21st June 2006). The objectives of the new salary system have been to promote fair salaries, to improve salary competitiveness for universities as employers, to support staff in developing their skills and in seeking more demanding tasks, to encourage staff to perform better, and to improve leadership and leadership skills (Kekäle, 2008). As a result of the collective bargaining process, pay levels in the old pay system, which were based on job title and seniority, had been guaranteed. The first job evaluations and performance appraisals were conducted in spring 2006 by the relevant supervisor, and further standardized by a university-level evaluation group that consisted of employer and employee (i.e., trade union) representatives. Following this, the pay consisted of two parts, the job-based base pay and the merit pay, which topped the job-based part to a maximum 46 %. Employees had been informed about their new pay levels in late 2006 or early 2007 (after one of the several evaluation group meetings where the job evaluations were standardized) when the study was conducted. For further information about the negotiation process, the pay system and intensive public discussions of the reform (see Kekäle, 2008).

**Participants**

The data for this study were gathered in February 2007 through a web-based questionnaire, which was sent to a random sample of 1,000 academic and administrative personnel of two universities in Finland using a double-blind procedure. The survey data were supplemented with pay data from university records. The respondents were informed that the members of the research team would not have access to person identifiers and that the employer representatives, who provided records-based data for the sample, would not have an access to the completed questionnaires. The number of responses was 495, corresponding to the overall response rate of 49.5 %.
Using the university records data on the whole sample, we performed an analysis of missing data using paired t-tests comparing the means of respondents and non-respondents with regard to gender, prior monthly pay level, and pay changes (i.e., level of pay increases and proportion of pay guarantee). No statistically significant differences emerged in any of these comparisons, thereby alleviating concerns that our respondents may have differed on relevant dimensions as compared to non-respondents. However, due to the missing information in some of the responses, the effective sample size for regression analyses is $N=455$.

**Measures**

**Pay inequity:** aligned with Gerhart (1990), we examined the magnitude of differences in current salaries of employees (mean 3140 euro/month; SD 1141) controlling for both key supply- and demand-side factors. On the supply side, standard measures of the amount of human capital were used (i.e., job tenure, supervisory position, type of contract, and educational degree). On the demand side, job content was controlled through the use of job titles and supervisory performance appraisals. These factors are known to influence pay in the universities based on the old pay system (i.e., geographical location, tenure, supervisory position, job contract) and should have impact in the new pay policy (i.e., education, performance, job).

More specifically, as two universities in different geographical locations were studied, a dummy variable was used to control for organization ($n_1=247$; $n_2=208$). Work tenure measured in years employed by the current university (mean 12.71 years; SD 9.59) was included. Two dummy variables were used to control for type of job contract (temporary $n_1=221$; permanent $n_2=234$). A dummy variable was included to control for supervisory position (no $n_1=368$; yes $n_2=87$). Performance appraisal was measured by including the most recent supervisory overall performance rating (mean 6.20; SD 1.38; min 1 11.5). Four dummy variables were used for highest education degree (comprehensive or upper secondary school $n_1=45$, higher vocational diploma or college level training $n_2=51$, higher education $n_3=201$, licentiate or doctor’s degree $n_4=198$). Finally, eight dummy variables corresponding to job content were included [Professor $n_1=58$, Lecturer $n_2=69$, Assistant Professor $n_3=47$, Researcher $n_4=162$, Teaching or Research Assistant $n_5=22$, Secretary $n_6=39$, Specialized administrative personnel (i.e., computer support, library personnel, laboratory managers) $n_7=65$, Other administrative personnel $n_8=33$]. All of these variables statistically significantly predicted the employee pay level (see Table 1 in Appendix). We used the residual of this function to study individual responses to pay inequity. A negative value indicates that the person is receiving less than typical in these universities taking into account the above mentioned demand and supply factors. A positive value indicates that the person is getting paid more than they merit (based on individual negotiations, some other informal procedures or exceptions to the main policy).

**Procedural justice:** the respondent was asked to indicate to what degree they agreed with seven statements adopted from Colquitt (2001): ‘I have been able to express my
views and feelings during job and performance appraisals'; 'I have had influence over the pay decisions arrived at based on the job and performance appraisals'; 'The job and performance appraisals have been conducted consistently'; 'Pay decisions have been free of bias'; 'Pay decisions have been based on accurate information'; 'I have been able to appeal the pay decisions arrived at based on the job and performance appraisals'; and 'Pay decisions upheld ethical and moral standards'. A five-point Likert scale (from 1 = I completely disagree to 5 = I completely agree) was used. The coefficient alpha was .87.

Pay comparison: the respondents were asked to evaluate to what degree they compared their pay to several internal and external targets on a five-point scale (cf. Sweeney and McFarlin, 2004). The external target items were: 'pay of colleagues in different organizations with a similar degree', 'pay of colleagues in different organizations with a similar degree', 'pay of the same jobs outside organization', 'union pay criteria', and 'pay of spouse or closely related'. The coefficient alpha was .80. The internal target items were: 'pay criteria of the current system', 'pay of the fellow workers inside the organization', and 'pay in the former system'. The items were measured with 5-point scale ranging from 1 = Little if at all to 5 = A great extent. The coefficient alpha was .60.

Access to pay information: a modified version of The Base Pay Knowledge Scale introduced in Mulvey, Le Blanc, Heneman and McInerney (2002) was used to measure experienced knowledge of base pay. The respondent was asked to evaluate how well she/he knew the pay system on a scale consisting of eight items: 'I know the grade of my job', 'I understand the rationale for my job being placed in its grade', 'I understand how my base pay changes are determined', 'I understand how my pay grade is determined', 'I understand how my performance objectives relate to the success of the whole organization', 'I understand the key measures of my performance', 'I understand how my performance is measured', and 'I know the influence my performance has on my base pay level'. A five-point Likert scale (form 1 = I completely disagree to 5 = I completely agree) was used. The coefficient alpha was .86.

Moderator variable: gender (men n1=251; women n2=204) was used to predict the relationships between pay inequity and organizational commitment as well as procedural justice and organizational commitment.

Organizational commitment: the strength of organizational commitment was measured by three items introduced by Klein (2008): 'How committed are you to your organization?', 'How dedicated are you to your organization?', and 'To what extent do you feel bound to the future of the organization?' The items were measured with 5-point scale ranging from 1 = Little if at all to 5 = A great extent. The coefficient alpha was .92.
RESULTS

Table 1 presents the descriptive information and intercorrelations among all study variables. Female employees were more likely than their male counterparts to perceive lower levels of procedural justice ($r = - .117, p < .05$). However, taking into account the supply and demand-side factors, females were not more likely to be over- or underpaid than their male counterparts in these organizations.

Table 1  Descriptives and Intercorrelations

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Gender (1=male, 2=female)</td>
<td>1.460</td>
<td>0.499</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2  Pay inequity</td>
<td>0.000</td>
<td>490.13</td>
<td>-0.043</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3  Procedural justice</td>
<td>2.993</td>
<td>0.949</td>
<td>-0.117</td>
<td>.084</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4  External reference point</td>
<td>2.712</td>
<td>1.110</td>
<td>-0.027</td>
<td>.022</td>
<td>-0.243</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5  Internal reference point</td>
<td>2.728</td>
<td>1.019</td>
<td>.049</td>
<td>-0.092</td>
<td>-0.197</td>
<td>.431</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6  Knowledge of pay</td>
<td>3.382</td>
<td>0.883</td>
<td>-0.085</td>
<td>.059</td>
<td>.582</td>
<td>-0.257</td>
<td>-0.204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7  Organizational commitment</td>
<td>3.197</td>
<td>1.135</td>
<td>.077</td>
<td>.061</td>
<td>.097</td>
<td>-0.079</td>
<td>.108</td>
<td>.147</td>
<td>(.92)</td>
</tr>
</tbody>
</table>

Note. N=455. DV = Organizational commitment.

We used moderated multiple regression analysis to examine our hypotheses (Table 2). On step 1, gender, pay inequity, and procedural justice were entered. On step 2, product terms representing the gender X pay inequity and gender X procedural justice interactions were entered. As we attempted to understand whether pay comparison and access to pay information would explain the differences in organizational commitment over and above pay inequity and/or procedural justice, in the third step, the mediators pay comparison and access to pay information were entered.

On step 1 in Model 2, we found that high perceptions of procedural justice were related to higher organizational commitment (see Table 2). On step 2 of this equation, we entered the two-way interaction terms. The incremental variance due to this second step in both Model 1 that tests the Hypothesis 1 ($F = 5.305, p < .05$) and Model 2 that tests the Hypothesis 2 ($F = 6.008, p < .05$) significantly added to the prediction of organizational commitment. As the interaction term gender X pay inequity ($\beta = -.252, p < .05$) and gender X procedural justice ($\beta = .267, p < .05$) were statistically significant, we plotted the interactions (see Figures 1 and 2) 1 SD above and below. Consistent with the Hypotheses 1 and 2, the results revealed that men are more sensitive to pay inequity and women to procedural justice, as indicated in their propensity to commit to their organizations.
Table 2  Hierarchical Regression Analysis Results Predicting Organizational Commitment

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Model 1</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>(constant)</td>
<td>3.110</td>
<td>.075</td>
<td>0.00</td>
<td>3.101</td>
<td>.073</td>
<td>0.00</td>
<td></td>
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<td>0.037</td>
<td>.204</td>
<td>.109</td>
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<tr>
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<td>.055</td>
<td>0.175</td>
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</tr>
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<td>Procedural justice</td>
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<td></td>
<td></td>
<td>.123</td>
<td>.054</td>
<td>0.024</td>
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</tr>
<tr>
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<td></td>
<td></td>
<td>.017</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>F for increment</td>
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<td>0.049</td>
<td>3.864</td>
<td>.022</td>
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<td></td>
<td></td>
<td>.017</td>
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</tr>
<tr>
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<td></td>
<td></td>
<td>.013</td>
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<tr>
<td>F for total</td>
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<td>.049</td>
<td>0.049</td>
<td>3.864</td>
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<tr>
<td>(constant)</td>
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<td>.075</td>
<td>0.00</td>
<td>3.116</td>
<td>.073</td>
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<tr>
<td>Gender</td>
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<td>0.035</td>
<td>.207</td>
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<tr>
<td>Pay inequity</td>
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<td>.079</td>
<td>0.014</td>
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<td></td>
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<tr>
<td>Procedural justice</td>
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<td></td>
<td></td>
<td>.013</td>
<td>.070</td>
<td>0.855</td>
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<tr>
<td>Pay inequity X Gender</td>
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<td>.110</td>
<td>0.022</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Procedural justice X Gender</td>
<td></td>
<td></td>
<td></td>
<td>.267</td>
<td>.109</td>
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<tr>
<td>R² for increment</td>
<td>.012</td>
<td></td>
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<td>.013</td>
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<tr>
<td>F for increment</td>
<td>5.305</td>
<td>.022</td>
<td>0.022</td>
<td>6.008</td>
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<td>R² total</td>
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<td>.030</td>
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<td>.024</td>
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<td>4.608</td>
<td>.003</td>
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<tr>
<td>(constant)</td>
<td>3.106</td>
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<tr>
<td>Gender</td>
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<td>0.041</td>
<td>.177</td>
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<td>.078</td>
<td>0.014</td>
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</tr>
<tr>
<td>Procedural justice</td>
<td></td>
<td></td>
<td></td>
<td>-.060</td>
<td>.079</td>
<td>0.447</td>
<td></td>
</tr>
<tr>
<td>Pay inequity X Gender</td>
<td>-.184</td>
<td>.107</td>
<td>0.087</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural justice X Gender</td>
<td></td>
<td></td>
<td></td>
<td>.229</td>
<td>.108</td>
<td>0.034</td>
<td></td>
</tr>
<tr>
<td>Knowledge of pay</td>
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<td>.055</td>
<td>0.002</td>
<td>.162</td>
<td>.065</td>
<td>0.013</td>
<td></td>
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<tr>
<td>External reference point</td>
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<td>.060</td>
<td>0.010</td>
<td>-.118</td>
<td>.059</td>
<td>0.047</td>
<td></td>
</tr>
<tr>
<td>Internal reference point</td>
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<td>.060</td>
<td>0.000</td>
<td>.199</td>
<td>.059</td>
<td>0.001</td>
<td></td>
</tr>
<tr>
<td>R² for increment</td>
<td>.063</td>
<td></td>
<td></td>
<td>.037</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F for increment</td>
<td>9.568</td>
<td>.000</td>
<td>0.000</td>
<td>5.909</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R² total</td>
<td>.090</td>
<td></td>
<td></td>
<td>.068</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.077</td>
<td></td>
<td></td>
<td>.055</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F for total</td>
<td>6.807</td>
<td>.000</td>
<td>0.000</td>
<td>5.335</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. N=455. DV = Organizational commitment

Notes. The residual of this General Linear Model was used as an indication of pay inequity. This parameter is set to zero because it is redundant.
Further, we attempted to explore whether pay comparison and access to pay information would explain some of the observed gender differences. On step 3, the incremental variance significantly added to the prediction of organizational commitment in both Model 1 ($F = 9.569, p < .001$) and Model 2 ($F = 5.909, p < .01$), which suggests that our mediators predict organizational commitment over and above the main and interactive effects of gender, pay inequity, and procedural justice. Access to pay information ($\beta = .162-.169, p > .05$) and internal pay comparison ($\beta = .199-.264, p > .01$) were related to higher organizational commitment. External pay comparison ($\beta = -.118-.157, p > .05$) was related to a lower level of organizational commitment. This is
likely because the studied organizations are public universities and relevant external comparisons might result in a perception of underpayment.

To fully test our Hypothesis 3 and study the significance of the indirect effects of interaction terms (gender X pay inequity and gender X procedural justice) through mediators (pay comparison and access to pay information) on organizational commitment, bootstrap confidence intervals were obtained (see Preacher and Hayes, 2008; Shrout and Bolger, 2002 for information on bootstrapping). For the interaction term gender X pay inequity, a procedure with 1,000 bootstrap samples yielded a bootstrap 95% confidence interval (Lower CL = -.064; Upper CL = -.003), which does not include 0, suggesting that pay comparison and access to pay information partially mediate the link between pay inequity X gender and organizational commitment. However, the comparison of the mediation effects revealed that neither of the variables was superior to the other in their prediction power. In the case of interaction term gender X procedural justice, the bootstrap 95% confidence interval (Lower CL = -.005; Upper CL = .060), included 0, suggesting that the gender difference in this regard is not explained by access to pay information or internal and external pay comparison. Thus, our Hypothesis 3 is supported for pay inequity but not for procedural justice.

**DISCUSSION**

Previous studies on organizational justice have come to somewhat inconsistent conclusions regarding gender differences in the effect of equity (e.g., Graham and Welbourne, 1999) and organizational justice (e.g., Lee and Farh, 1999; Major and Adams, 1983; Major and Deaux, 1982; Sweeney and McFarlin, 1997) on organizational commitment. Gender literature has long been puzzled with the question of why even though female employees tend to earn less than their comparable male counterparts, they continue to be committed to their organizations to the same or even higher extent than their male colleagues (Clark, 1997; Crosby, 1982; Jackson and Grabski, 1988). We contribute to these debates by integrating social comparison theory (Festinger, 1954) and the gender socialization perspective (Stockard, 1999) into analysis of gender differences in reactions to organizational injustice. Aligned with the hypotheses, our empirical analysis of personnel at two Finnish universities reveals that gender differences in responses to inequity are such that men’s organizational commitment is more strongly affected by pay inequity than women’s, whereas women’s organizational commitment is affected more strongly by perceptions of procedural justice than men’s. Gender difference in responses to inequity is in part explained by pay comparison and access to pay.

**Theoretical Implications**

The results of the study showed, as hypothesized based on social comparison theory and the gender socialization perspective, that male employees were more sensitive towards pay inequity by demonstrating a lower level of organizational commitment than their female counterparts. Comparing underpayment and overpayment conditions
in these organizations, the higher the level of pay inequity, the less committed were the male employees to the organization. This finding suggests that male and female employees react relatively differently to underpayment and overpayment conditions, and thus, gender might act as a boundary condition for equity theory. The main principle of equity theory does not work to the same extent with male and female employees, which goes along with the earlier criticism of equity theory (Carrell and Dittrich, 1978; Huseman et al., 1987). The finding might also indicate that female employees tend not to perceive an income differential in the first place. The study thus provides evidence that female employees react to a lesser extent to pay disparities by continuing to be highly committed towards their organizations. Therefore, despite the belief that Finland has achieved gender equality (Kantola, 2008) and the position of women has improved dramatically there, gender pay disparity still survives even when social policies and programmes (such as a new pay system) are implemented to reduce it.

In line with procedural justice theory, the study showed that generally the higher the level of procedural justice, the more committed employees were to their organizations. Furthermore, the result that procedural justice was more strongly related to organizational commitment for female than male employees is supported by both social comparison theory and the gender socialization perspective. This finding suggests that female employees are socialized to be more sensitive to organizational procedures and systems than to pay itself. Alternatively, female employees may have to count more on procedures and systems to gain organizational outcomes due to a history of discrimination and sex-role stereotyping (Sweeney and McFarlin, 1997).

Based on social comparison theory and the gender socialization perspective, we studied whether pay comparison and access to pay information would explain the interactive effect of gender and pay inequity and/or procedural justice on organizational commitment. The results suggested that both pay comparison and access to pay information partially mediated the interactive impact of gender and pay inequity (but not procedural justice) on organizational commitment. Following the gender socialization perspective, female employees are less likely to know about some of pay and related issues. In contrast, male employees are likely to be concerned about their dominant position and existing privileges in organizations, they are particularly sensitive to being treated financially fair. As Peng et al. (2009) have suggested, when these concerns are not met, male employees tend to have a lower level of commitment to the organization than female employees do.

**Practical Implications**

The results of the current study suggest that managers should be aware of potential gender differences among their employees regarding their sensitivities towards pay distributions and procedures, which might be explained by differential pay comparisons and level of knowledge about pay. Active distribution of information about pay system related issues, such as how decisions are made, may lead to an
increased perception of monetary worth among female employees (Barron, 2003). According to our results, male employees were likely to be more sensitive to pay inequity, whereas female employees were more sensitive to procedural justice. Since the current study demonstrated that when perceptions of procedural justice decrease among female employees, their organizational commitment drops rapidly, managers may need to emphasize how organizational changes may eventually improve organizational procedures to guarantee high organizational commitment of their female employees in particular. Thus, besides the obvious suggestion of eliminating the possible pay inequity between different employee groups, managers may want to involve a gender-balanced group in designing pay systems so that, especially female employees have a better access to knowledge about pay decisions and have an opportunity to see how a fair pay system is implemented.

A last implication is specifically directed to female employees. Female employees who are negotiating their salaries might need special training to ask for a higher salary than originally planned and to focus on the reasons they are entitled to this salary (Barron, 2003; Stuhlmacher and Walters, 1999). In addition, female employees should be aware of pay inequity and, thus, try their best not to avoid this in their own workplaces.

**Limitations and Directions for Future Research**

Despite its contribution, the present study has a number of limitations, which may suggest possible future directions for the research. First of all, the current study is mainly based on cross-sectional data. The results of the study may thus not provide strong evidence of causal directions. However, it is reasonable to argue that employees’ perceptions of fairness are the causes of organizational commitment, rather than its consequences. An extensive longitudinal rather than a cross-sectional study that explores causal relationships among variables is thus needed to support on the empirical findings of the present study. A low reliability (alpha .60) of the internal pay comparison construct is another methodological limitation. In addition, supervisory performance appraisal is not an objective measurement since it might be in itself a subject to discrimination and unfair treatment.

Secondly, since the study was conducted in the academic context of Finland, it might be suggested that the findings cannot be sufficiently generalized to all societies and to all organizational fields. As Leung (2005) noted, there is a tendency for most social scientists, including organizational justice researchers, to ignore social contexts by the desire for universal knowledge. However, the concept of organizational justice, the employees’ attitudes towards various organizational practices including pay may vary considerably across locations due to, for example, differences in gender roles, economic development, compensation differentiation, and gender segregation of a certain market. Also the results concerning the impact of internal and external comparisons on organizational commitment might differ by context (whether the level of compensation is at the market, lower or higher than the market). Knowledge concerning the pay system might also have a negative impact, depending on how the procedures are
perceived (Burchett and Willoughby, 2004; Graham and Welbourne, 1999). Furthermore, male and female employees might perceive justice differently depending on whether the evaluation and performance appraisal was conducted by male or female supervisor (Sweeney and McFarlin, 1997). Cross-national and cross-industry research is thus needed to test the validity of the present study’s framework. Also, the effect of sex-role orientation on preferences for organizational justice might be considered to be examined in future.

Next, future studies may extend the investigation by examining whether the interactive effect of gender and pay inequity and/or procedural justice on organizational commitment is mediated by work identity, specific gender-dyadic comparisons and pay expectations. According to social identity theory (Tajfel and Turner, 1979), both male and female employees estimate what they deserve on the base of intra-group comparisons of working environment where male employees are traditionally considered to be the advantaged social group and female employees tend to be disadvantaged. Attitudes of men are shaped by their own privilege and sense of the legitimacy of their dominant position; thus, they base their working identity on pay and are keener on access to pay information than female employees. For these reasons, underpayment is likely to provoke stronger reactions among male employees. In contrast, since female employees tend to be the members of the disadvantaged gender group, underpayment is largely consistent with their group identity and hence causes fewer reactions. This leads to a conclusion that base for work identity might mediate effect of gender and pay inequity/procedural justice on organizational commitment.

According to social comparison theory (Festinger, 1954), pay expectations can also have an impact on the way employees perceive pay inequity and procedural justice because employees’ perceptions of financial rewards of others are affected by the perceptions of whether their own opportunities are equal to the opportunities of others. Therefore, employees with low pay expectations are expected to build their pay expectations for others based on the knowledge of other employees with similar pay. Since female employees tend to have lower pay expectations than their male co-workers (Balkin and Gomez-Mejia, 2002; Jackson and Grabski, 1988; Keaveny and Inderrieden, 2000), pay expectations might mediate effect of gender and pay inequity/procedural justice on organizational commitment.

Overall, the paper will hopefully stimulate more theoretical and empirical research on gender similarities and differences in responses to injustice, which will expand both theoretical and practical implications. A broader empirical examination of the relationships between gender, general interest in pay, pay expectations, social comparisons, work identity, and organizational outcomes based on the integration of organizational justice and gender theories may significantly enrich the research in both organizational and gender fields.
REFERENCES


### APPENDIX

Table 1  Key Supply- and Demand-Side Factors Predicting Monthly Pay Level

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Unst.Beta</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>(constant)</td>
<td>2789.634</td>
<td>188.510</td>
<td>.000</td>
<td>.333</td>
</tr>
<tr>
<td>Organization = 1</td>
<td>302.455</td>
<td>55.047</td>
<td>.000</td>
<td>.064</td>
</tr>
<tr>
<td>Organization = 2</td>
<td>0(^a)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance appraisal</td>
<td>118.090</td>
<td>19.104</td>
<td>.000</td>
<td>.080</td>
</tr>
<tr>
<td>Tenure</td>
<td>12.393</td>
<td>3.210</td>
<td>.000</td>
<td>.033</td>
</tr>
<tr>
<td>Supervisory position = No</td>
<td>-400.733</td>
<td>78.441</td>
<td>.000</td>
<td>.056</td>
</tr>
<tr>
<td>Supervisory position = Yes</td>
<td>0(^a)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job contract = Temporary</td>
<td>-231.432</td>
<td>69.730</td>
<td>.001</td>
<td>.024</td>
</tr>
<tr>
<td>Job contract = Permanent</td>
<td>0(^a)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job title = 1</td>
<td>1650.307</td>
<td>129.835</td>
<td>.000</td>
<td>.269</td>
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<td>.012</td>
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<td>129.831</td>
<td>.216</td>
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</tr>
<tr>
<td>Job title = 8</td>
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</tr>
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\(^a\) This parameter is set to zero because it is redundant.