Demographic Factors And Their Impact Upon Gender Wage Discrimination In Different Organizational Settings

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DEMOGRAPHIC FACTORS FUNCTIONING AS SALARY DETERMINANTS

The salary structures are regarded as one of the most important aspect of human resource management and the salary decisions are affected by numerous demographic factors. One important factor affecting salary is the level of educational qualifications attained by an individual. As the degree of complexity and technicality increases, the education levels also increase. **Klein and Maher (1966)** state that as large percentage of population is drifting towards white collar, specialized jobs, the degree of technical training is also increasing.

Large no. of studies point out the negative relationship between education and salary, which show that as individuals study more, their expectations and aspirations regarding pay also increase simultaneously. Since college education can be regarded as a measure of evaluation, its presence or otherwise is hypothesized to have an impact on salary. However, the large dissatisfaction with pay as the education levels increase does not necessitate the presence of negative relationship between education and pay, rather, it may also show that education does not have any significant impact on salary, in case, individuals have unrealistic expectations, which ultimately increase the dissatisfaction **(Klein and Maher (1966))**. **Lawler and Porter (1966)** also found no significant relation between satisfaction with pay and education and the partial correlation between actual pay and education led to insignificant positive relationship.

Lawler and Porter (1966) found a significant positive relationship between pay and age, another important factor affecting salary. One of the earliest studies identifying the impact of age on salary was done by **Chandler and Foster** in 1963 and it stated that although age is in itself not a very important factor, it helps in shaping many other factors responsible for salary growth. The study also found out a positive correlation between age and experience and showed that as age increases, the professional experience gained also increases, which subsequently positively affects the wages. Hence, the study considered age as corresponding to seniority and found out that as age increases, the seniority also increases. **Synder Mclaughlin and Montgomery (1992)** as in **Webster (1995)** stated that the pay structure should be based on professional maturity and the ways to judge such professional maturity could be the ranking of an individual and his years of professional experience and as a result, a positive significant relationship can be expected between the age of an employee and his pay level.

Another important point to be considered is the impact of gender upon salary. **Harris and Gilbreath (2002)** concentrate solely upon the impact of gender on salary. **Blau (1998) in Harris and Gilbreath (2002)** contends that gender differences in pay are mainly due to differences in base pay and found out that women's wages are 88% of men's wages. However, it is important to note such differences in salaries should also account for differences in working hours, education, managerial levels and skills of the two groups and also, the disproportionate representation of women in the lower paying occupations and lower paying firms **Chauvin and Ash (1994)**. **The Blau and Kahn (1997)** study also states that since 1980s, there has been an improvement in the gender pay gap due to women's increased professional experience and occupational distribution. As a result, the "*unexplained*" portion of pay gap has declined **(Blau and Kahn (1997))**.

Another important point to be considered is the **impact of ethnicity on salary**. The **Barnum Liden and Ditomaso (1985)** study is unique in the sense that it not only found out high disparities between pay levels of women and men, but also between different ethnic minorities. The study of ethnicity is even more important since it has been observed that minority women face the double jeopardy in terms of salary distribution and are paid less than minority men. The

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Hitt and Barr study examined all the possible interactions between age, sex and race and tried to study the influence of these factors on manager's decisions about certain applicant or the favourability for the same. These tests were useful in understanding the disparity in pay and processes as faced by women and minority groups. Race and ethnicity are important to be considered because they lead to not only employment disparities, but also pay differentials. **However, it needs to be considered that many a times, the minority workers are not very well represented and in the absence of an adequate number of ethnic minority groups, the influence of ethnicity cannot be derived**.

It has been observed that most of the non managerial work is done by the minority or women workers. The author also states that superiors usually have lower expectations from women and minorities and these lower expectations translate to lower pay **(Feldman 1986 and Auster 1989)**. Another important study in the direction of wage gap differential was done by **Drazin and Auster (1987),** who found out that there is significant difference in wages of men and women at higher level, however, at lower level, there was no significant difference.

GENDER WAGE DISCRIMINATION

The next part of the article focuses upon wage discrimination at the organizational level, keeping the individual level factors constant. Given the enormous literature on gender wage gap, the justification for another paper on this subject might not be readily apparent; however, the answer lies in the paper, which aims at studying the impact of organizational characteristics on gender wage discrimination in UK. The gender discrimination in organizations is a concentrated term and has varied ramifications since it can take place in different aspects such as hiring, promotion and pay.

However, as **Stanley and Jarell** note, that obtaining data on first two factors could turn out to be quite difficult, hence, majority of studies on gender discrimination in organizations tend to focus upon the pay aspect.

The present study focuses upon Britain since it has one of the highest levels of gender wage discrimination in Europe as per the Labour Research Department 2002. Furthermore, the 1970 Equal Pay Act, under which women should receive equal pay for equal work as men, has still not been able to achieve the desired results. For example, **Hastings (1999)** notes that job evaluation schemes in UK are inherently biased and do not implement equal pay for work of equal value.

Mincer and Polachek (1974) derived a direct and positive association between human capital investment ratios and the earning profiles and stated that **the investment profile of women first enjoys a high peek (before marriage), then suffers from negative values during child bearing years and then shoots up again once the women decide to return back to labour force**. However, **Hakim (1996)** clearly rejects this neoclassical argument and shows that mere differences in participation levels cannot be regarded as the sole reason since men continue to receive better wages than women who have continuous full time employment record.

The gender gap has been usually explained in terms of average difference in characteristics of men and women. However, even after taking such characteristics into account, the gender gap among the salaries prevails **(Bellas 1999 as in Bellas et al 2001)**. Hence, this unexplained differential is mainly interpreted as '*wage discrimination*' **(Zetterberg (1994))**.

Wage discrimination has also been defined as the payment of higher wages to men as compared to women, holding similar qualifications and other demographic characteristics constant and engaged in doing similar jobs (Cohen (1971)). There is a considerable agreement that gender wage discrimination exists, however, its magnitude varies widely in different organizational settings **(Stanley and Jarrell (1998))**. The devaluation theory suggests that some jobs become sex labelled and if more women are involved in that job, then they become low paid, less respected jobs.

GENDER WAGE DISCRIMINATION: AN ORGANIZATIONAL LEVEL PERSPECTIVE

In the last couple of decades, Human Resource Management has undertaken numerous additional steps to reduce the level of gender wage discrimination. **Bach S. (2005)** stated that the continued success of any organization depends upon its capability to attract highly qualified, talented and capable employees, who can respond effectively to the

changing global environment. In tune with such requirements, many organizations are undertaking numerous steps to attract qualified women **(Drazin and Auster (1987))**. However, the steps undertaken by organizations in this direction may vary depending upon the organizational characteristics and hence, some organizations may suffer from higher level of wage discrimination than others **(Stanley and Jarrell (1998))**. Keeping in tune with this argument, the next part of the paper focuses upon wage discrimination at organizational level, keeping the individual level factors constant.

The Cox and Astin (1977) study of women faculty is relevant in this regard because it shows that women are not equally distributed in certain institutions; therefore, they may receive lower salary because of where they work. Furthermore, **Drazin and Auster** as stated in **Edwards (1979)**, noted that men are mostly preferred in larger organizations, which are engaged in core processing activities and are hence able provide a career with well defined trajectory, whereas, women on the other hand mostly tend to work in smaller organizations, in part time jobs with low job stability and with either stunted or diminished career progression. This further supports the argument that wage discrimination could happen not only due to individual characteristics, but also due to organizational characteristics. Furthermore, **Baron and Bielby (1980)** as in **Tolbert (1986)** also state that numerous factors such as pay and promotion, which could cause potential inequalities, are caused by organizational differences and varied practices adopted by them.

Tolbert (1986) also argues that larger organizations are in a much better position to indulge in discriminatory policies because they are more likely to have slack resources and if these organizations prefer to hire male workers, the discrimination is likely to increase because of surge in the demand for male workers. Although, it is suggested that larger organizations pay higher wages to both men and women workers, the affect on wages of males is much more than that on women. It has been argued that increased federal anti discrimination rules are likely to prevent discrimination, but the counter argument is that such firms have greater degree of monopoly and power, which may promote gender wage differences. Since monopoly and market power are likely to be positively related to firm size **(Hall and Weiss 1967 as in Carrington and Troske 1995)**, it has been argued that large firms undertake greater discrimination practices against women **(Carrington and Troske (1995))**. Hence, the first hypothesis is:

Hypothesis 1: Wage Discrimination Is Likely To Be Higher In The Large Scale Organizations Than The Small Scale Organizations

Another significant element of organizational characteristics is the nature of ownership of an organization. It has been assumed that gender based pay differential is likely to be lower in the public sector than in the private sector because the public policies aimed at improving the equal employment opportunity rules are followed more strictly in the public sector organizations.

In this regard, **Zabalza and Arrufat (1985)** conducted a simple time series analysis of UK labour market and found that relative employment of females in the private sector increased at a much smaller rate than that in public sector. Similarly, according to EOC, the pay gap in Britain is wider in the private sector than in the public sector because greater numbers of activities are undertaken in the latter to ensure gender equality and also the public sector organizations engage in monitoring the relative pay of men and women compared to private ones **(Wilson M F (2003))**. Similarly, since the information about salary is expected to be more widely dispersed and openly available, **(CIPFA (2003))** in public organizations than in private organizations, **Pfeffer J. and Langton N. (1993)** avow that the wage differential is likely to be significantly lower in the public sector.

Tolbert (1986) further supplements this argument by asserting that since public institutions are expected to represent the general collective interests, they have to abide by the social rules of equality of opportunity and thus they cannot work for continuation or proliferation of gender wage discrimination. The studies of Swedish labour market by **Gustaffson (1976)** also suggest that the wage discrimination against females is smaller in the public sector than in the private sector because of institutional conditions and collective bargaining. So the second hypothesis is:

Hypothesis 2: The Gender Wage Differentiation Is Likely To Be Much Higher In Case Of Private Sector Than In Public Sector

METHODOLOGY

DATA SOURCE

The data for this study has been obtained through the archival source, namely the Employment in Britain Survey 1991, database. It is a publicly available database and comprises of three parts. **The first part of the database consists of the information about the work history of each employee, the second part consists of the questionnaire comprising of questions regarding the current and past work experience, the working conditions, opinions regarding the work itself, employees, supervisors and the details regarding the socio economic status of the employee and other members of the household. The third part of the survey primarily focuses upon the satisfaction, fair pay, stress, control and other personal issues faced in the job.** The survey has been collected from three classes of people namely **employees, self employed and unemployed**.

SAMPLE SIZE

The total number of observations available in the database is 3458, however, for the purpose of the study; the researcher concentrated only upon the employed individuals and ignored the self- employed or unemployed individuals because the excluded group is likely to have irregular working hours and cannot be standardized in other ways **(Cohen (1971))**. The database also had many missing values regarding the salary, education level and sector information. Hence, a total of 1192 observations met all the relevant criteria for the study and constituted the final sample. The database was further divided into numerous sub-segments. In order to study the impact of demographic characteristics on salary and the wage differential between the different sectors, the employees were divided into two broad categories based upon whether they were employed in large or in small sector. In order to study the extent of wage differential between private and public sector, the small and large scale sectors were further subdivided into two categories each, namely private company and public company.

MEASUREMENT

☸INDEPENDENT VARIABLES

☸ **Age:** The information regarding age was obtained from the question asking, *'What was your age on your last birthday'*. This is a continuous variable and is treated as a measure of seniority of an employee in the organization.

☸ **Gender:** The second variable is the gender, which is treated as the dummy variable with value coded '0' for women and '1' for men.

☸ **Supervisor:** The third variable is *'supervisor'*. The level of an employee has been obtained by asking the question whether he holds a supervisory position in the organization or not. It is a dummy variable coded '0' for non - supervisory position and '1'supervisory position.

☸ **Education:** The original questionnaire asks about the level of education of each employee, giving 20 possible categories. The researcher has sorted those 20 categories into three sections namely primary education, intermediate certificate level education and the higher education and has treated education as a dummy variable with primary education equal to '1', intermediate education '2' and higher education '3'. Since it is a polytomous dummy variable, the education 1 or primary education serves as the base line with which all the other categories are compared.

☸ **Ethnicity:** The original database divided the ethnicity into four categories namely Whites Blacks, Asian and Others. However, the number of blacks and Asians are very less (less than 10%), therefore, for the purpose of the study, the researcher converted ethnicity into a dummy variable with dichotomous categories coded '0' for white and '1' for non whites.

☸DEPENDENT VARIABLE

☸ **Log of Salary:** The information about salary was given in terms of weekly salary earned by the employees. The information was converted into gross yearly salary and treated as a continuous variable. The dependent variable is the log of gross salary including insurance and benefits.

EQUATION 1

Lsal1 = a + β1 education2 + β2 education + β3 supervise + β4 gender + β5 age + β6 ethnic + e.

Using equation 1, the OLS model was tested using 6 independent variables as described above and regressed on log of salary (Lsal1). The assumption of normality was first checked using graphical tools such as k-density plots, pnorm, qnorm plots and then verified using Shapiro-Wahba Test. The standardized residuals were plotted against each variable to check the departure from linearity or non constant error variance and the log transformation, which descends the ladder of power, was used in order to correct the positive skew, make the salary distribution more normally distributed and remove heteroscedasticity. The heteroscedasticity was checked using the graphical method described above and empirical tests such as Breusch Pagan Tests and IM Test. These tests are based on a null hypothesis that variance is constant. Since the p-value for all the organizations was greater than 5%, the researcher cannot reject the hypothesis that error variance is not constant. The data was used to conduct a number of multivariate tests to identify the patterns between the demographic factors with a special emphasis on gender. The multiple regression analysis and analysis of variance (ANOVA) were the primary analysis tools used in the study. The high degree of correlation between independent variables was first tested using simple correlation, partial correlations and then pair wise correlation, but the latter is not a foolproof method because a particular independent variable may have linear combination with several other independent variables **(Kvanli A., Guynes C. and Pavur R. 1996)**. Hence, the Variable Index Factors were also calculated for each variable to check for multicollinearity. VIFs are simple, direct, better and involve straight forward interpretation **(Fox J. (1997))**; however, they are not applicable on polytomous dummy variable education. As a rule of thumb, a variable that has a VIF higher than 10 or Tolerance (1/VIF) smaller than 0.10, may be highly correlated with other independent variables **(Chatterjee and Hadi 2006 ed.)**. However, in this study, the VIFs for variables ranged between 1 and 2. The Cooks statistic was used to measure the influence on regression coefficient, in case there is an outlier with high leverage **(Fox J. (1997)**.

In the present data, some of the observations have high standardized residuals, while others had high leverage, but none had both values high and hence, none was able to exert significant influence on the coefficient. The decomposition of variation into explained and unexplained components was studied through the analysis of variance (ANOVA) **(Fox J. (1997))**. The goodness of fit i.e. the adjusted R square lies between 0 and 1 and measures the explanatory power of the model after adjusting for large number of explanatory variables and small number of observations or in other words, uses correct number of degree of freedom.

Table 1 : Impact Of Demographic Variables On Log Of Salary For Large And Small Scale Co.S

Predictor Variables	Small scale companies		Large scale companies	
	Coeff	t	Coeff	t
Education 2	-0.1582258	-1.52	0.0483115	0.091
Education 3	0.0474229	0.45	0.3128908	6.66*
Supervision	0.4255977	5.05*	0.2537369	6.55*
Gender	0.8404566	9.10*	0.6127786	14.78*
Age	0.0023578	0.54	0.0076026	3.69*
Ethnic	0.0543792	0.34	-0.0444906	-0.59
Constant	5.760865	34.14	6.032704	78.93

*< 0.05; two tailed test

STUDY RESULTS

SALARY DETERMINANTS IN SMALL AND LARGE ORGANIZATIONS

The results from regression model for the small organization are given in column 1 of **Table 1**. There are a total of 330 employees working in the small scale sector. **It reveals that supervision, gender, age of an employee and his/her ethnicity are positively related to salary**. However, only '*supervise*' and '*gender*' are significant to the model at 5% p-value. The coefficient of supervision shows that compared to non supervisors, the employees in supervisory position earn 42.5% more on an average. Similarly, gender, a dummy variable coded '0' for women and '1' for men shows that

women earn 84% of men.

Interestingly, receiving higher education has a positive yet insignificant impact on salary; however, receiving intermediate education is likely to have a negative insignificant impact on salary. Finally, age and ethnicity are also positively yet insignificantly related to the model and an increase in age by 1 unit only causes 0.2% increase in salary. It is important to note that insignificance in the ethnicity could also be due to less number of ethnic workers present in the organization. The results of partial correlation also indicated a high correlation of 27% between salary and supervision and 45% between salary and gender. The partial correlation also suggests that only salary and supervision have a high explanatory power. The partial correlations are better than Pearson correlations because the former holds the other factors constant, while determining the relationship between the two variables. The adjusted R square for the small scale co. is 27.27% i.e. approx 27% of the variation in the model is explained by the model. The omnibus F for the null hypothesis that all the slopes are 0 has been calculated from analysis of variance and it is significant to the model, which shows that the variables have a combined explanatory power and are significantly different from 0.

The column 2 of **Table 1** has a total of 792 employees working in the large scale sector. The column 2 concentrates on factors affecting wage determination in case of large scale companies and reveals that supervisory level or the position plays an important role in salary determination wherein compared to non supervisors; the supervisors earn 25% more. Gender is also significant at 5% p-value and compared to women, men earn 61.2% more on an average, when all the other variables are held constant. Finally, higher education and age, which were not significant in case of small scale companies, are significant and positively related to salary. Similar to the small companies, the ethnicity does not play and significant role in determining salary. The partial correlations also suggest that there is a positive correlation between log of salary and supervision with 22%. The gender and log of salary are also highly positively related with 46%. The adjusted R square is slightly higher at approx 32%; therefore, almost one third of variability in the model can be explained by the demographic factors.

In case of both small and large scale organizations, ethnicity is an insignificant factor, however, it should be noted that in case of small companies, only 24 out of 330 employees were non white, whereas in case of large companies, the figure was equally dismal at only 56 out of 795 employees. However, it was noticed that there is a negative relationship between salary and ethnicity, which indicates the presence of weak discrimination, since compared to white workers (coded 0); non white workers receive 4% less wages. From the comparison of two different organizations (small and large), it can also be stated that gender and supervisory levels are the two most important factors affecting salary distribution, whereas other factors such as education, ethnicity etc do not play a significant role in determining wages.

GENDER WAGE DISCRIMINATION IN SMALL VS. LARGE ORGANIZATIONS

Since organizational size is expected to bring about differences in the earnings of males relative to females, separate analysis of the organizations has been done to undertake a closer and better examination of gender earning differentials.

The hypothesis 1 stated that keeping all the demographic factors constant, the wage discrimination is likely to be

Table 2 : Impact Of Demographic Variables On Log Of Salary For Private And Public Sector Co.S

PredictorVariables	Private companies		Public companies	
	Coeff	t	Coeff	t
Education 2	0.0239	0.54	0.1077413	0.92
Education 3	0.222582	5.10*	0.2776348	2.41*
Supervision	0.311843	8.68*	0.1718738	1.82
Gender	0.699643	18.16*	0.4827953	4.63*
Age	0.006052	3.20*	0.0092163	1.76
Ethnic	-0.035413	0.51	0.1017453	-0.41
Constant	5.942921	83.14	6.002383	31.02

*< 0.05; two tailed test

greater in case of large scale companies than the small ones. A close look at the demographic results suggests that in case of employees working in small scale organizations, the percentage difference in the mean salaries of males and females is 48%, whereas in case of large scale organizations, the difference is approx 66%.This suggests that wage discrimination is higher among larger organizations, however, if we control for all the demographic variables, the results become opposite. The comparison of column 1 and 2 of small and large scale companies respectively in the **Table 1** (given above), suggests that in case of smaller organizations, male employees receive 84% more wages as compared to women, whereas, the corresponding figure is 61% in case of large scale organizations after controlling the level of education, age, ethnicity and organizational level.The results suggest that the wage discrimination is higher in case of smaller organizations.

One of the reasons identified for higher wage discrimination in the small scale sector is that the statistical evidence is hard to collect for smaller organizations and the discriminatory practices are more easily detected for larger organizations than for smaller ones, because the smaller organizations are less likely to implement the rules of equality of opportunities and suffer less from implicit and explicit pressures of maintaining equality **(Carrington and Troske (1995))**.

Hypothesis 2: The gender wage differentiation is likely to be much higher in case of private sector than in public sector.

SALARY DETERMINANTS IN PRIVATE AND PUBLIC ORGANIZATIONS

The column 1 of **Table 2** suggests that in case of private sector, gender, age, education and supervisory position of an employee have a significant impact on the salary. Therefore, as age increases, the salary received also increases, as there is a positive relationship between the two. It should be noted that as compared to non supervisors, the employees in supervisory position earn 31% more. However, in case of public organizations, age and supervisory position turn insignificant although they still maintain a positive relationship with the log of salary. Another important point to be noticed is the presence of weak, insignificant negative relationship between ethnicity and log salary, which implies that compared to white workers, non white employees receive less wages. However, it doesn't confirm the presence of wage discrimination.

In case of private organizations, more than a quarter of variation is explained through the model, since the adjusted R square (R^2) is approx 28%, whereas in case of public sector companies, the adjusted R square is much lower at approx 20%. The Breusch Pagan Test and IM Test for private and public company show P value of greater than 5% and hence, there is not enough evidence to reject the null hypothesis that error variance is constant.

GENDER WAGE DISCRIMINATION IN PRIVATE VS. PUBLIC ORGANIZATIONS

In order to check hypothesis 2, the log of salary is regressed against demographic predictor variable separately for employees working in private sector and public sector organizations as mentioned above and a comparison of gender coefficient for both sets is done to find out the gender wage discrimination in both type or organizations, keeping the individual level factors constant. **An important point to be noticed is that in case of private sector, the coefficient of gender is 0.699 i.e. compared to women, men earn 69% more salary on an average, keeping all the factors constant, whereas in case of public sector, the equivalent figure is 0.48 i.e. 48% difference in the wages of male and female employees.** The data confirms the hypothesis 2 that gender wage discrimination is likely to be higher in case of private sector than in the public sector.

The above two hypotheses have focused solely upon one element of an organization at a time. Therefore, the researcher also ran series of regression analysis with same demographic variables on different types of organizations - namely the large private, large public, small private and small public organizations. The entire models have not been shown due to space constraint; however, the results of these models could also be used to check the results of previous two hypotheses.

The regression models and the subsequent comparison have been prepared keeping the form of ownership (private or public) constant. The gender coefficient of employees in small private companies is 0.82, whereas, for those in large private companies, it is 0.6425. Similarly, the gender coefficient of workers in small public companies is 1.053 and for

those in large public companies, it is 0.4252. The above values also show that Hypothesis 1 is rejected and large companies do not necessarily have high wage dispersion than smaller organizations.

However, the same coefficients also prove the validity of second hypothesis that gender wage discrimination is likely to be higher in private organizations, than in public organizations. Keeping the size of the organization constant, we observe that in case of large private organizations, the male employees earn 64.25% more on an average, whereas in case of large public organizations, the wage discrimination reduces to 42.52%. However, an important point to be noticed here is that the second hypothesis gets rejected if we concentrate solely upon small scale organizations because in case of small private organizations, gender wage discrimination is much lower than in small public organizations.

DISCUSSION AND CRITICISMS

The study was conducted using the OLS regression method and every effort was made to determine the demographic factors that affect the gender wage discrimination, in order to correctly identify the unexplained wage discrimination. However, the adjusted R square ranges around 30%, which shows that there are considerable numbers of other factors, which might not be demographic in nature but may affect the wage discrimination. This point has also been highlighted by **Stanley and Jarrell (1998)** who stated that each study is likely to omit certain factors which might affect wages because the "*true wage*" equation is unknown and every dataset lacks certain potentially important variables. Since it is not possible to combine all the potential factors, the OLS estimates of gender wage differences usually have upward bias **(Chaudhary S. (1993))**.

The results also suggest not only the presence of gender wage discrimination, but also its different degrees based upon the varied organizational characteristics. The UK Labour Research Department 2002 suggests that the wage gap has widened during the past couple of years and different reasons have been put forward for the wage discrimination. The Equal Opportunities Commission (EOC) and National Statistics UK, state that gender wage gap happens mainly due to overtime work executed by majority of male population. Part time work, mostly undertaken by females and the inclusion of overtime or part time workers could skew the results **(Wilson 2003, Dobbs C. 2009)**. Keeping in mind these reasons, the researcher's sample comprised of only full time workers and no part time ones, however, the element of overtime could not be accounted for due to lack of information regarding the same.

One point to be highlighted is that the study does not distinguish between the different types of public and private companies. The EOC 2003 report states that the gap is wider in Central government than in public corporations and local government **(Wilson 2003)**. The study does not take into account the productivity differences, which could cause wage differentials. However, Tolbert notes that if demographic and institutional factors are controlled for, then there is not much significant productivity differential. Furthermore, as already stated, the wage differences occurs due to intermittent labour force behaviour shown by women, because of household responsibilities. Hence, women possessing similar demographic characteristics as men may accumulate less work experience and subsequently get paid less as well. However, the data did not have any scope for obtaining information about continuity of employment, therefore, an effort was made to include only those employees, who had full time employment.

The study also does not disintegrates the total pay into base pay and contingent pay, although it has been shown that most of the unexplained wage discrimination can be explained through contingent wages, which depend upon individual's job performance **(Chauvin and Ash (1994))**.Since the data does not contain separate information about the base pay and bonuses or rewards; the disintegration of pay was not possible.

Another limitation of study is that the data does not take into account employment policies as per gender, which could also account for wage differentials and does not define the size of small and large organizations, which might lead to bias and it does not take into account employment policies as per gender, which could also account for wage differentials. The study also assumes that men and women employees are equally distributed across the low paying and high paying organizations. Whereas **Cox and Astin (1977)** point out that the women tend to work in organizations, which mostly pay less. However, in case of publicly available data, there is no way of knowing the pay structure of organizations or segregate them into low pay and high pay categories and as a result of which, an additional bias may crop up. Though if we assume that large scale organizations are generally capital intensive, provide better career paths, greater job security and higher pay compared to small scale organizations **(Drazin and Auster (1987))**, we can note that the proportion of women employed in small scale industries is 45%, whereas 40% women are employed in

large scale sector and thus provide support for the Cox and Astin's 1977's study.

Another way of interpreting these results is that the gender wage discrimination has been higher in organizations, which employ higher proportion of women. In this study, the women were in higher proportion in the small scale sector and private organizations and hence faced higher gender wage discrimination. This observation matches the **Cox and Astin (1977)** study; however, it is difficult to note the reasons responsible for the same.

Some studies such as **Drazin and Auster (1987)** point out the advantage of using a single setting and state that impact of organizational characteristic on salary can be studied using one single organization, to avoid any bias. This is true because it can enable us to study the role of factors such as performance appraisal ratings, function and level in much greater detail; however, such a data is restricted to a particular organization and is limited in usability and generalizability. Therefore, the future studies can take sample of each type of organization and then put the theories described above to test.

CONCLUSION

The present paper corresponds to the substantial amount of previous research in the area of gender wage discrimination and confirms its presence, in spite of controlling the individual factors, which have an impact on the salary. It has been noted that gender wage discrimination might be manifested differently in large and small organizations. A wide variety of research suggests that such discrimination is likely to be higher in large scale organizations than in the smaller ones; however some researches present counter arguments as well. The present study found out higher degree of discrimination among sexes in case of employees working in smaller organizations; however, no definitive reasons have been pointed out for the same because it is outside the scope of present study. Another important finding of this paper has been the presence of greater degree of discrimination in private organizations compared to public ones, which largely confirms the previous studies. The reasons such as greater openness of policies, stricter monitoring and better planning have been attributed to lesser extent of wage discrimination in the public sector.

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