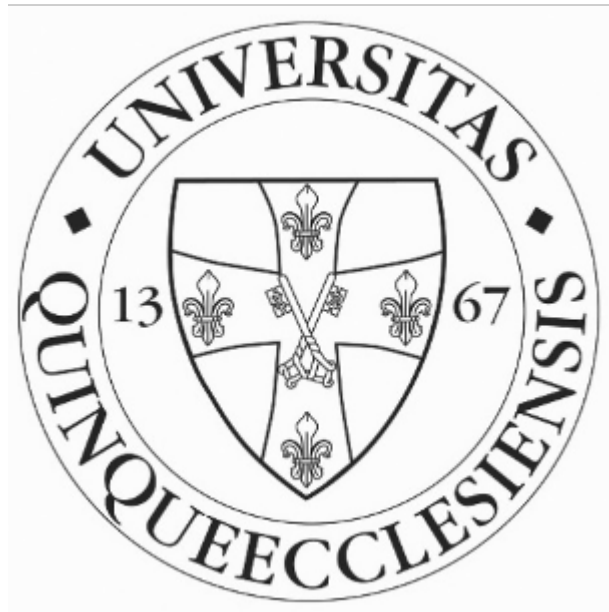


UNIVERSITY OF PÉCS
FACULTY OF HUMANITIES AND SOCIAL SCIENCES



GENDER INEQUALITY IN THE EUROPEAN LABOUR MARKET, ESPECIALLY
THE GENDER PAY GAP IN THE SAME PROFESSION.

by

Thidphaxay SOULIYA
Social Work BA

Thesis supervisor:

Dr. Habil. Gabor JUHASZ, Ph.D.

Submitted in fulfilment of the requirements, in 2024., at the University of Pécs,
Faculty of Humanities and Social Sciences, Department of Community and Social
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ABSTRACT

Gender inequality is a deeply rooted issue in all societies, contributing significantly to systemic disparities between males and females, especially in the context of the gender pay gap. For instance, another key fact to remember is that occupational segregation or discrimination can also contribute to this mentioned issue. To put it another way, women consistently receive lower pay compared to men in the workforce, which is attributed to issues such as income disparity, pension gaps, a higher likelihood of poverty among elderly women, and domestic violence. Gender pay disparity persists in European countries, necessitating comprehensive solutions.

Therefore, this thesis aims to present effective approaches to address gender pay disparity, with a research question focused on conceptual frameworks and practical implications, particularly within the same professions. The results highlight the effectiveness of implementing gender mainstreaming, women's empowerment, and equal pay legislation and work policies to provide equitability for women, addressing the gender pay gap issue. Furthermore, there is also potential for similar studies in areas, such as social policies, human resources, gender studies, and beyond to bring positive solutions, providing gender equality not only for women but also for society as a whole.

CHAPTER I

INTRODUCTION

1. Background

Gender Inequality is a deeply rooted cause within all societies regarding a socially constructed concept that defines the responsibilities, functions, tasks and stereotypes between men and women that impact different dimensions such as education, career path, domestic responsibility, healthcare, societal expectations, decision-making and participation in leadership. These gender ideologies contribute significantly to the systemic creation of gender inequality, allowing power to be vested disproportionately in a specific gender and governing others unequally, especially women and girls, who most often become the victims because societies tend to believe that they are more capable of taking care of domestic duties rather than taking roles of decision making (Chatillon et al., 2018).

In view of gender inequality, particularly the disparity in earnings between women and men in the workforce is still visible across all societies. Globally, women who were working full-time earned less than men in the labour market (Haan, 2023). Similarly, in developing societies, this issue was exacerbated by unequal gender policies and cultural factors (S. Sharma & M. Sharma, 2012). In European countries, it has been undeniable that a disparity exists in the earnings of men and women in the employment sector (Boll & Lagemann, 2018). These indicate how crucially gender inequality affects the gender pay gap and demand proactive approaches to tackle this issue.

Grybaitė (2006) mentions that women in the labour market generally receive lower incomes, diminished wages, and fewer advantageous employment benefits than their counterpart gender. Another consideration which has been taken into account is that the impact of their human capital between men and women is substantially different due to expected lifetime work and wage raise. Polachek (2004) argues that increased years of work experience correspond to enhanced opportunities to earn higher incomes in regard to skills development, career advancement, compensation, expertise, and leadership. These experiences over time are beneficial to men. On the other hand, women have a tendency to pause their participation in the labour force to bear and raise children which results in reducing their lifetime work years and it affects the potential to acquire higher wages compared to the counterpart gender.

Furthermore, Kalev and Deutsch (2018) have pointed out that workplace organisations are relevant in terms of shaping and reproducing societal gender inequalities which determine the influence of gender on the modern distribution of labour, workforce participation, and gender pay gap. To put it another way, employers or organisations tend to exclude women from high-paid professions because of the beliefs that female employees might have shorter lifetime work than male employees and their productivity will be lower, as a result, women are alternatively forced to choose the professions that offer lower pay but accommodate family responsibilities (being mother to take care their children) or prioritise the career path to advance their lifetime work but still have to face gender ideologies obstacles.

In conclusion, gender inequality between females and males can cause negative consequences, especially the disparity in pay between genders that impacts various aspects of women's lives across societies.

2. Problem Statement

The gender pay gap, or wage disparity between genders, fundamentally denotes the distinction in earnings between men and women. This difference is a significant problem that women are still facing in many sectors and industries. S. Sharma (2012) and M. Sharma (2012) have mentioned that the workplace is an environment where is noticeable and maintained gender inequalities because labour plays a vital role in influencing power and status for both females and males. To put it another way, gender pay disparity manifests itself across various viewpoints or angles, whether traditional or societal pressure of motherhood, educational levels, career expectations, professional segregation, and job discrimination.

For instance, we still can see that women are expected to give birth and raise a child even though they are already participated in the labour market. With this expectation, women often adhere to societal expectations by choosing professions that are likely to mitigate the discriminatory risk or permit them to meet their childcare responsibilities. Likewise, some full-time professions prefer to hire men regarding this condition, provided that the disparity in earnings between men and women is going to be wider because women are likely forced to obtain part-time professions which substantially earn less.

The gender pay gap is gradually becoming widespread across the European countries. However, to account for discrepancies in wages earned by women and men,

there are several variations that determine gender wage disparity. According to the framework of the human capital concept, wage disparity between genders is illustrated by the distinction of individuals, such as age, education, and experience. For instance, gender pay is much lower among new entrants in the labour market; but this tends to widen with their lifetime work age. In other words, the gender pay gap is presented as lower for singles, but higher for married employees (Plantenga & Remery, 2006). Evidence indicates that to diminish the gender pay gap, it is essential to not only tackle disparities in job participation and employment but also address discrepancies in wage structure and compensation between men and women.

Another key thing to remember is that the framework of this thesis attempts to explore the context of the European labour market's perspective on gender inequality, especially the gender pay gap in the same profession regarding prevalent assumptions, research findings, and influential factors that most research tend to have towards this issue. The gender pay gap was mentioned in various theories, concepts, and models to guide their understanding. For example, the Human Capital theory posits that individuals' education, training, experience, and health affect the gender pay gap. The System Justification theory suggests that people's sociopsychology tends to assume that men deserve higher pay than women because they achieve better outcomes implying that men contribute more, which may not necessarily be accurate. As well as other concepts, such as people skills, segregation, discrimination, and policy making.

To summarise, the gender pay gap persists as an issue across European countries. Addressing this gap requires not only addressing disparities in employment but also structural differences in wage compensation, highlighting the need for comprehensive solutions, and proactive strategies to tackle.

CHAPTER II

LITERATURE REVIEW

1. Conceptual Theories on the Gender Pay Gap

There are several conceptual theories that have been used to explain and understand the context of the gender pay gap. This subject is widely debated across diverse cultures and nations, underscoring the existence of a prevalent issue related to the inequity or imbalance between males and females, and it requires more studying to produce multifaceted solutions which are applicable in various settings and social contexts.

On the other hand, as the issue gained increased attention, many researchers and studies began focusing on this, it also needs to consider that the circumstances of the gender pay disparities have changed positively compared to the past, especially in the European context. However, Landmesser et al. (2020) mentioned one significant element associated with the gender pay gap is the tendency for women to be disproportionately represented in certain occupations. For example, women may face discrimination based on their marital status or when competing for managerial roles.

Several factors contribute to the gender pay gap, making it a complex issue to address. The European countries have a different picture in terms of policy agenda to address the gender pay gap regarding their public or national interest. Some countries have already initiated relevant policies to target minimising the gap in income between men and women. Some policies specify optimising the effectiveness of legislation aimed at achieving equal pay and focus on addressing both the direct and indirect gender wage gaps.

Thus, governmental legislation is the main key to improving the effectiveness of equal pay policy to become tangible and transparent. As an example, The European Union's Treaty on the Functioning, Article 157 mandates that European Union member states must eradicate gender-based discrimination concerning all facets and terms of compensation for identical work or work of comparable value. (EU Action for Equal Pay - European Commission, n.d.). Then again, many countries are hesitant to intervene in the wage adjustment process due to concerns about other employment-related issues.

Researchers have used various concepts to guide their comprehension of the disparity in wages between genders. Despite this, the conceptual framework such as human capital and other theories were used to investigate the impacts of human capital

attributes on wages. Moreover, the system justification theory was also used to understand how individuals justify societal norms whether they have positive or negative impacts, leading to insight into the gender pay gap.

These mentioned theoretical concepts allow for a more comprehensive explanation of the factors shaping the discrepancy in earnings between men and women, paving the way for informed strategies and policies to address this issue in the labour market.

1.1. Human Capital Theory

The human capital theory proposes that investments in individuals lead to economic benefits for both the individuals themselves and society as a whole (Sweetland, 1996). In other words, the investment includes education, training, and health as prime assets of human beings. However, the key to the success of human capital revolves around education. Sweetland (1996) also argues that obligatory education spans primary, secondary, and tertiary levels. Additionally, informal education, nurtured within domestic and occupational settings, plays a crucial role. Furthermore, he also highlights the availability of specialised degrees or training programs at the university level, counting as human capital as well.

For instance, education constitutes a shared form of human capital that facilitates an individual to acquire knowledge and skills for earning a living through work (Sodirjonov, 2020). Thus, it is reasonable to assume that education enhances people's competence, enabling them to come to reasoned and impactful decisions that promote the overall well-being of society.

Considering the human capital or people's skills concept, the gender pay gap correlates with the competencies and skills that individuals possess, either acquired through education, training, work experience, or a combination thereof. These competencies enable them to do something well and effectively. For example, competencies such as leadership, communication, decision-making, problem-solving, negotiation, and more are considered aspects of human capital. Moreover, the time horizon that individuals spend regarding pursuing higher education or developing a career path can be the determinant of earning income.

Considering the historic gender-specific distribution of tasks within families, women typically acquire fewer years of labour market experience compared to men because women are expected to have shorter and discontinuous work lives due to the

societal expectations of marriage and motherhood. Consequently, women have lower incentives, either to invest in themselves or to be invested in by employers. This results in smaller human capital and lower earning rates compared to men (Grybaitė, 2006).

1.2. System Justification Theory

Jost, Gauche and Stern (2015) have described the concept of system justification theory as derived from the notion of false consciousness, originating from the early sociological works of Karl Marx. Within his work, it contends that the social class with control over material production also controls the means of mental production. In simpler terms, he argued that those who have the resources for both material and intellectual creation shape the ideas of those who lack such resources.

Likewise, system justification theory, psychologically speaking, suggests that people are, on an unconscious level and without deliberate awareness, inclined to support, validate, and strengthen elements of the current state of affairs (Jost & Toorn, 2012). This encompasses multiple facets of the current social, economic, and political systems. Therefore, crucially, the acknowledgement and maintenance of the existing situation have been noted across different demographics, including individuals across different socioeconomic statuses, genders, age groups, sexual orientations, and diverse national, ethnic, linguistic, and racial backgrounds.

Several studies have demonstrated the wage disparity between men and women are influenced by the system justification theory in the form of the internationalisation of inequality. Women in low-paid jobs often develop the belief that they deserve lower salaries than their male counterparts because of the social stereotype of gender that assumes men have higher levels of intelligence, skill, and confidence compared to women. (O'Brien et al., 2012). For example, a sizeable portion of lower-status and lower-paid positions are predominantly filled by women, including roles such as nurses, teachers, and social workers. Consequently, the system justification theory may reinforce the belief that men are deserving of higher wages than women, which leads to the problem of the gender pay gap.

1.3. Segregation & Discrimination Theory

Concepts of segregation and discrimination are usually related to stereotyping and biases that involve physically separating groups or treating individuals or groups unfairly on certain characteristics and are frequently associated with inequality regarding social class, race, and gender. For instance, in the recruiting process, some managers or

supervisors often make hiring decisions due to stereotypical beliefs that men are doing better in managerial positions, but women are doing well predominantly as secretaries/administrative assistants. As a result, once a job is categorised as being predominantly for either males or females, subsequent tasks are assigned based on that classification.

Many societies often expect women to fulfil their responsibility for domestic care or to become mothers in raising children. On the other side, men also are expected to turn into leaders of families as they are supposed to regarding gender ideologies. To make it clearer, certain attributes such as empathy, loveliness, and selflessness are commonly associated with femininity, while traits like leadership, assertiveness, and strength are typically viewed as masculine (Chatillon et al., 2018). For example, many women frequently presume they will not excel in STEM (Science, Technology, Engineering, and Mathematics) related occupations because of masculine stereotyping of those professions. Thus, these gender-specific career aspirations result in legitimating gender segregation and reproducing gender beliefs, especially workforce.

Article 157 of the Treaty on the Functioning of the European Union (TFEU) mandates the eradication of any form of discrimination based on sex concerning every element, as well as terms of compensation in favour of work that is the same or holds comparable value. However, gender inequality can be subtle and reluctant due to systematic disparities between organisations and employees. This topic is often represented in human resource practices and those lacking authority or influence are more often women. For instance, the "structuring of employment," "compensation," "financial incentives," "stability," and "perks" are commonly offered to those who can work full time, thus, women might face vulnerability on multiple fronts: if they opt for part-time work to manage household responsibilities and childcare needs, as many women do, those benefits might not be enough, and this emphasis can be a major attribute of the gender wage gap (Berry & Bell, 2012).

In conclusion, segregation and discrimination based on gender are still visible today, particularly in access to job recruiting or hiring processes, ultimately widening the wage disparity between males and females.

2. Contextualisation of the Gender Pay Gap

2.1. Gender Pay Gap in European Countries

The wage disparity between genders is a significant aspect of gender inequality that has persisted all over European countries for decades. From 2010 to 2014, there was a marginal reduction of 1.1 percentage points in the wage discrepancy between genders across European countries, decreasing from 15.3 per cent to 14 per cent (Boll & Lagemann, 2018). However, in recent years (2023), while the differences in pay between males and females have decreased to 12.7 per cent, the pension gap remains far wider at 29 per cent (Pillinger, 2023).

The issue of unequal compensation for equal work is deeply rooted and become a structural problem. Historical perspective of the gender pay gap, women are predominant in low-paid and part-time professions, which correlate with societal prejudices and stereotypes towards women that have led to the undervaluing of their human capital or even overlooked. Therefore, the pay equity principle has appeared as a foundational element of social equity to tackle gender inequality issues in European Countries (European Commission, 2020).

Furthermore, the segregation of male and female workers within the same professions, but with varying compensation scales, is a notable determinant influencing gender wage disparity in European nations. The presence of the gender wage disparity seems to differ based on the country and individual attributes. Still, numerous factors influencing this phenomenon include variations in negotiation abilities, wage frameworks, career selections, divergent child-rearing responsibilities, and instances of discrimination or sexism (Vasilescu et al., 2019). Female workers are predominantly concentrated in lower-paying industries, such as healthcare and social workers, however, among high-paid jobs such as managerial positions, women are under-represented (Boll et al., 2016). Similarly, performance-based compensation is also becoming more common across European countries.

Performance-based compensation or performance-related pay is a scheme of wage systems that are generally designed to reward employees based on their performance and contribution to the organisation. Arabadjieva and Zwysen (2022) have mentioned in their current research that male employees are more inclined to receive performance-based compensation, and it seems to be in higher amounts because they are more represented in larger firms, which contributes to higher wage distribution, compared to female employees. This specific issue receives less focus from policymakers at the EU level and

is not explicitly referred to in the Gender Equality Strategy 2020-2025, which contributes to widening the wage gap between men and women.

Nevertheless, according to the European Parliament (2023), Article 4 of the Gender Equality Directive 2006/54/EC stipulates that any form of direct or indirect discrimination based on sex concerning all aspects of compensation, which encompasses performance-related pay, for work of equal value, therefore, if a pay scheme explicitly favours or disadvantages employees solely because of their gender, it would be considered direct discrimination and indirect discrimination arises when seemingly neutral policies or practices have a disproportionate impact on one gender over another.

Given the circumstances, the gender pay gap is going to continue to significantly impact women's careers and their financial status across European countries. This problem must be tackled by proactive policies and practices to address the various dimensions of deep-rooted structural inequality towards women.

2.2. Gender Pay Gap in the Same Profession.

The contemporary workplace has consistently served as a central arena for perpetuating existing gender inequalities and giving rise to new ones, including the gender pay gap. Much research shows that the pattern of sex segregation in workplaces remains consistent even with the endorsement of CEDAW or the Convention on the Elimination of All Forms of Discrimination Against Women in 1979. Psychological evidence suggests that women tend to show greater altruism and prioritise career advancement less than men. Women holding a more traditional viewpoint often adhere to societal expectations, opting for careers that facilitate fulfilling their roles as mothers and wives (Chevalier, 2007). However, women who choose to pursue career paths that are stereotypically male-dominant, such as information and communication technology (ICT) or scientific, technological, engineering, and mathematical (STEM) professions, encounter barriers and obstacles in career development, including the wage gap.

The ICT and digital sectors are one of the industries that have less female representation. Historically, professions within the fields of technology, engineering, and digital sectors have been occupied by men, which creates paradigmatic examples of stereotypes that women are bad at technology and cannot do well in this profession. Female ICT workers or engineers are often perceived as women, rather than their professional title, leading to an impact on the roles they hold and their advancement within organisations or workplaces (Segovia-Pérez et al., 2020). For example, in 2022,

on average, females received salaries 3.5 per cent lower than their male counterparts when applying for identical job titles at the same organisation within the technological professions (In Statista., 2023). As a result, women are more prone to receiving salaries lower than those of their male counterparts.

However, in female-dominated professions such as the healthcare sector, the gender pay gap persists, as noted by Bergmann et al. (2019). Many roles in healthcare jobs such as nursing, emergency responders, obstetricians/midwives, as well as medical and dental assistants—all of which are predominantly female. To put it differently, wage disparity between genders in the healthcare industry is also influenced by vertical segregation, and women are less represented in leadership roles. Moreover, experts characterise the tasks carried out by medical and dental assistants as emotionally and socially engaging, demanding a significant level of psychological and interpersonal skills. Unfortunately, attributes like empathy and communication, typically associated with feminine traits, are not always acknowledged as professional qualifications or competencies worthy of equitable compensation.

Furthermore, the gender pay gap is frequently attributed to the choices individual women make in their careers, creating a perception that it is influenced by women's decisions (Bergmann et al., 2019). This perspective suggests that in the hypothetical scenario where women were to participate in the same sectors and occupations as men and maintain uninterrupted full-time employment throughout their careers, the gender wage gap would notably diminish. In other words, the argument implies that individual choices, such as career paths, work hours, and career interruptions, contribute substantially to the observed differences in earnings between genders. However, it is essential to recognise that this perspective may oversimplify the complex and multifaceted variables that contribute to the gender wage disparity, which also includes systemic and structural issues related to gender discrimination within the workplace.

In conclusion, the gender pay gap of workers working in the same profession does not guarantee equal payment. Salaries are typically based on human capital or skills that individuals own, contributing to the productivity of the organisation. However, women are more likely to receive lower payment due to the system's justification beliefs that believe them inferior and the lack of women in high positions to act as role models. Lastly, workplaces are the main institutional settings that (re)produce gender inequality in various aspects, including the wage disparity between males and females.

3. Case Studies of The Gender Pay Gap

The disparity in wages between genders continues to be notable in many countries regardless of developing or developed societies. It is one of the key indicators of gender inequality that persists across the social body. However, the gender pay gap extends beyond current earnings and as well as influences future income and welfare, due to wages in most nations being directly connected to the forms of earnings like family support and retirement funds (Aavik et al., 2023). Regarding this argument, women are primarily considered disadvantaged compared to men in the labour market. For example, research examining income disparities and poverty indicates that single mothers are more susceptible to experiencing poverty compared to single fathers (Kramer et al., 2016). Moreover, the gender wage differential issue could potentially be linked to the continuation of domestic violence, with women being at significantly higher risk (Aizer, 2010).

Aavik et al. (2023) mentioned in their work that many existing pieces of research have measured the extent of the gender wage disparity from two perspectives – the explained and unexplained. Firstly, the portion of wage disparity that can be accounted for by measurable individual-level characteristics, such as educational attainment and years of work experience, both the separation of individuals and the unequal distribution of employees within the hierarchy of job positions in the workforce, which is known as the explained gender wage disparity. On the other hand, the unexplained one encompasses various interconnected factors that operate at both micro and macro levels and are challenging to quantify, including indirect discrimination within the labour market.

Speaking of the wage gap between female and male employees in the European Union, countries such as Austria (18.8%) and Germany (17.6%) are at the top rank of pay disparity between women and men (difference between average gross hourly earnings as a percentage) according to (Eurostat, 2023). These countries have been categorised as conservative welfare states, characterised by institutional frameworks that significantly shape income prospects for both women and men (Bergmann et al., 2019). At a descriptive level, the gender pay gap is primarily attributed to four factors:

- 1.) Gendered labour market segregation, which involves the uneven allocation of male and female employees across industries, occupations, and positions, resulting in horizontal and vertical segregation within the labour market.

- 2.) Career breaks and part-time work, which women frequently tend to take these two options due to caregiving responsibilities (being mothers), negatively affecting their human capital and lifetime work.
- 3.) Pay disparities in women's jobs and sectors, such as healthcare or social work where women are predominantly occupied, often tending to be lower paid.
- 4.) Non-transparent wage-setting process, the salary and compensation policy are a key indicator that often disadvantages females, contributing to the continuation of the earnings gap.

Another example is in Estonia, where the gender pay gap issue is the most notable in the EU, standing at 20.5% according to (Eurostat, 2023). According to the work of Aavik et al. (2023), the gender pay gap is described in five distinct ways: as a result of deliberate actions by employers (A), unequal compensation for equivalent work (B), challenges in measurement due to the unique nature of jobs and workers (C), perceptions that women often fail to negotiate equitable pay (D), and the notion that market dynamics preclude employers from reducing gender pay disparities (E). These representations can be categorised into three overarching themes: 1) the role of employers in creating, perpetuating, and addressing the income inequality issue (A & E), 2) the portrayal of the pay inequity as either insignificant or an insurmountable issue (B & C), and 3) framing the gender pay gap as an individual concern, particularly the responsibility of women (D).

Importantly, these themes show interconnectedness and mutual reinforcement, as they are reliant on and sustain specific assumptions concerning sex, equal opportunity, labour dynamics, and the duties of companies and governments in addressing the gender wage disparity issue. This led to the conclusion that the issue was characterised by the segregation of the labour market, direct and indirect discrimination, and lastly, legitimating a non-transparent pay policy.

CHAPTER III

METHODOLOGY

1. Purpose of the Study

Constantopoulos (2021) has mentioned in his work that “A woman enters the workforce at an entry-level position alongside a male colleague. Despite equal or superior skills, she sees a pattern of gender-based disparities. Her colleague receives more attention, participation in higher-level meetings, and advancements, while she experiences limited recognition and is excluded from key opportunities. Despite her successful contributions, she receives a modest raise, while he gains a new title and expanded responsibilities. Disparities persist over the years, with him receiving better offers, promotions, and higher compensation. After starting a family, she faces demotion upon returning from maternity leave, while he ascends to senior management with a significant pay advantage. The situation illustrates systemic gender bias and inequality in the workplace”. This common case portrays one object to highlight the actuality of the gender wage disparity issue between males and females.

In light of drafting this thesis, aims to present conceptual frameworks or practical implications from much recent research on what are the effective approaches, strategies, and legislations that were applied to tackle the gender inequality issue, especially the gender pay gap. More specifically, the scope of this study is expected to offer a more comprehensive understanding that can contribute to addressing inequality in the gender pay gap within the European Labour Market context.

Therefore, the findings of this study, advance the cause of gender equality in order to create a better situation in the labour market for all workers regardless of gender. In the future, the possibility of this research can be conducted in the fields of social policies, human resources, gender studies, and furthermore.

2. Research question

- 1) What conceptual frameworks or practical implications would be effective in narrowing the gender pay gap among the same professions in the European labour market?

CHAPTER IV
**DISCUSSION ON CONCEPTUAL FRAMEWORKS AND
PRACTICAL IMPLICATIONS TO ADDRESS THE
GENDER PAY GAP**

1. Gender Mainstreaming

Enhancing the involvement of females in the labour force exerts a substantial and beneficial influence on the broader economy, particularly in mitigating gender disparities within the job market, encompassing challenges such as the gender pay gap. However, this approach demands practical and just policies to offer fair chances for both genders in all their diversity to thrive and be economically independent. Thus, women's employment rate in European countries has increased over the decades. Yet, many women still experience some challenges such as the glass ceiling, sticky floor, occupational segregation, gender bias, and especially the wage gap. These challenges thus often result from structurally under-representation of women in high positions in the labour market.

Despite the European Treaties since 1957, Article 157 TFEU authorising positive action to empower women, the wage disparities between women and men are still prevalent in many sectors across the European Union. Gender mainstreaming is appearing as a strategy aimed at integrating a gender perspective into all public policies, intending to address gender bias and promote gender equality throughout society (Lombardo, 2016).

Gender mainstreaming looks to surpass the constraints of earlier approaches. Hence, according to the Council of Europe (1998), essential prerequisites or enabling conditions for implementing gender mainstreaming can be identified as political will, involving both the government and NGOs in integrating and incorporating a lens of gender equality into all policies and programs. Additionally, data on the current circumstances of both women and men across various backgrounds should be accessible. A comprehensive understanding of gender relations, available through diverse resources, is crucial to facilitate gender mainstreaming. Moreover, adequate funding and human resources are fundamental requirements for effective implementation. Importantly, the involvement of women in leadership roles, political arenas, and decision-making processes is essential.

Another key thing to remember is that in order to change or modify the existing situation, especially, to ease women's empowerment, Tiessen (2004) has mentioned the

adaptation of gender mainstreaming as gender-sensitive practices to promote and offer strategies for development planning for gender equality within and outside NGOs. The research found that societal norms and cultural beliefs have an important influence on creating actions and beliefs towards women, and initiatives tailored to specific genders. With this in mind, gender mainstreaming requires top-down implementation to change the policies, behaviours, and attitudes of society towards women to reinforce gender equality in social mainstreaming.

Furthermore, Eveline and Todd (2009) argue that making a case study to governmental policymakers by referencing the gender pay gap involves highlighting the differences in earnings between males and females, within governmental employment to raise as much as needed awareness of this issue as practical implications. To achieve this, the term gender should be conceptualised as a verb, emphasizing that it is an action rather than an inherent trait, which was intended to make it universally understood. Therefore, the approach of gender mainstreaming aims to promote an ongoing and perpetual process of analysis and revision, aligning with principles of effective policymaking.

Gender mainstreaming should not be viewed as a one-time strategy but rather as an enduring guiding principle integrated throughout the entirety of the policymaking process. While all levels of policy are considered equally significant, gender mainstreaming must permeate all aspects of society. Although the significance of the European Union level is widely acknowledged, the relative importance of distinct policy levels is contingent upon the specific structural context of a given country. For example, not only the national government should be the main agency to promote the idea of gender mainstreaming into practices, but also the local authority is significant where policy decisions have the most direct and often the most significant impact on individuals.

In conclusion, the implementation of gender mainstreaming should extend across all phases of the policy-making process, encompassing all pertinent policy domains and running at every level, and should engage a broad array of tools and stakeholders.

2. Women's Empowerment

Nowadays, women bring distinct aspects of operating businesses into the market. Compared to the past, the oppression towards women in terms of economic and social standing makes up gender inequality in many dimensions, especially accessibility to education, limiting their potential to take part in politics and government (Taneja et al., 2012). However, in response to these challenges, the European Commission (2020)

outlines a vision, policy goals, and strategies to tangibly advance gender equality in Europe and contribute towards the attainment of the Sustainable Development Goals (SDG).

In the European Union, women earn, on average, 16 per cent less per hour than men, and their participation rate in the labour market stands at 67 per cent, compared to 78 per cent for men. These disparities result in female workers, on average, having pensions lower than men around 30 per cent. Additionally, most of the domestic responsibility and unpaid work falls on women.

Moreover, the statistical disparities mentioned earlier not only underscore the existing challenges but also emphasise the profound implications of women earning less than men in the European Union, with associated pension gaps and unequal domestic responsibilities. The phenomenon of women earning lower salaries than men adversely affects their lifetime incomes, career advancement, pension entitlements, and vulnerability to poverty during their elderly years (Landmesser et al., 2020).

In light of this, women's empowerment can be used to improve career advancement for women, increase the educational rate for women, reduce the wage disparity, and hence women's representation in leadership. In every aspect of women's lives, they are often facing inequitable social status and tasks, which are mostly associated with the domestic sphere like being housewives or mothers; therefore, it is essential to empower them to have equal opportunities to choose to live their lives as the way they want (Mandal, 2013). Moreover, the definition of the term 'empowerment' has implications for uplifting the social standing, political participation, and economic status of everyone in society (Empowerment Illustrated, 2023).

Numerous scholars assert that women's empowerment is not only essential but also pivotal for the holistic progress of both the community and the country. This approach has appeared as a central focus in the initiatives and programs of the UN, the EU, and various governmental and non-governmental entities. Women's empowerment is able to be divided into core five distinctions: political, psychological, social, financial, and educational empowerment (Mandal, 2013). As a result, women's empowerment forms economic power and creates self-confidence, self-esteem, and self-sufficiency for women to become agents of change and contribute to positive impacts.

Furthermore, empowerment activities for women are related to organisational initiatives aimed at mitigating the gender pay gap problem. Organisations should begin by ensuring that their human resource management processes are sensitive to gender and

promote equity, offering women equal opportunities for employment, advancement, and professional development (Pološki Vokić et al., 2019). Most importantly, to ensure the provision of fair compensation for work of equivalent value for both men and women, given that reward systems form an integral part of gender equality. Finally, successfully achieving the empowerment of women demands multiple roles and stakeholders, which requires dedication and tangible policies, especially on the part of senior leaders and institutional bodies.

In summary, women's empowerment involves recognising their contributions to social development in every aspect, enabling them to reach their full potential in business, politics, and society. This empowerment can position women as role models to advance and employ effective strategies for sustainable changes in gender equality, including addressing the gender pay gap.

3. Equal Pay Legislation and Workplace Policies

Recent empirical studies conducted across European countries illustrate the workplace environment is instrumental in influencing the gender pay gap, encompassing a range of factors within the broader wage structure and workplace dynamics. Achieving substantial progress in closing gender wage disparity in the EU is crucial. According to Rubery et al. (2005), their work suggests that 'gender mainstreaming' can be an important approach for tackling wage disparities between genders. This entails examining and eliminating gender-based salary discrimination ingrained within institutional structures, societal norms, market mechanisms, and compensation policies. Nonetheless, it still demands a more comprehensive examination and nuance of the elements that shape salary structures and reward systems.

In this response, the equal pay policy has become a comprehensive legal framework concerning equal pay. The provision outlined in both Article 141 of the Treaty establishing the European Community and the Equal Pay Directive (Directive 75/117/EEC), mandates that the legal foundation and enforcement of the law impose the obligations on employers concerning their pay policy. For instance, employers must ensure equal application of evaluation criteria for all staff, maintain transparent and understandable remuneration arrangements, consider the nature of work in criteria, and eliminate unfair or biased factors. However, the anticipated beneficial impact of pay equity laws on diminishing the gender wage disparity is relatively evident, yet the extent of its impact is likely dependent on the effectiveness of enforcing the legislation (Plantenga & Remery, 2006).

Additionally, an example of pay equity laws is presented in the Swedish Equal Opportunities Act (EOA), which requires companies that have ten employees or more, to conduct annual assessments and analyses of pay practices, rectify any disparities, and develop action plans to achieve equal pay. Similarly, in France, the law of 9 May 2001, made it obligatory for companies and sectors to negotiate equality, incorporating the issue of equal pay into regular bargaining topics, including remuneration.

On one hand, workplaces have consistently served as a significant field for perpetuating existing gender inequality and reproducing new ones, including the gender pay gap. On the other hand, they are also key institutions for advocating transformative change in societies (Kalev & Deutsch, 2018). To reduce gender inequality, especially the pay gap, most researchers suggest that organisations and/or policymakers need to develop sociology, which is dedicated to addressing and correcting inequality between men and women. To start with, having heightened federal oversight, a full-time manager or section in the organisation to respond to workplace diversity specifically. Thus, for example, in a common workplace, career advancement structures and performance assessments frequently perpetuate gendered dynamics; however, organisations with a dedicated full-time diversity manager can mitigate these dynamics (*Diversity Management*, n.d.).

Despite promoting workplace diversity, organisations or companies should pay attention to recruiting and promoting women to managerial positions. This action serves as an approach to treat women as agents of change. Female leaders can become active actors to represent their potential for leadership, and decision-making, and importantly, to expand gender integration, push for diversity programs, reduce pay gaps, and promote substantial changes at a systematic level (Kalev & Deutsch, 2018).

To summarise, equal pay legislation and workplace policies are the key institutions for promoting meaningful changes across all societies and EU countries. Finally, these frameworks supply the practical implications to address gender inequality in multifaceted, which include the gender pay gap and promote equality regardless of gender.

CHAPTER V

STUDY FINDINGS AND CONCLUSION

1. Study Findings

Gender Inequality, especially the gender pay gap is a crucially systemic problem that affects women's earnings. It restricts their full potential to contribute to societal and economic development across all societies. This problem often correlates with gender roles, behaviours, activities, and stereotypes towards women that are attributed to gender inequality. When it comes to paid jobs, women always associate with predominantly female occupational sectors such as healthcare, education, customer services, etc (World Economic Forum, 2023). In European countries, the wage disparity between genders has decreased to 12.7 per cent, however, the pension gap remains far wider at 29 per cent due to women tend to earn less income than men throughout their entire lifetime work.

Furthermore, the pay gap is also related to workers' performance and human capital in that men are more prone to outperform women, consequently, several advantages such as gender bias in hiring procedures, more represented in higher managerial positions, and certain skills like decision-making or leadership that males tend to do better because of societal norms. Given the circumstances, women are significantly affected by the gender pay gap and this issue must be tackled by proactive policies and practices in order to address the various dimensions of deep-rooted structural inequality towards them.

2. Conclusion

To narrow gender wage disparity across the European labour market, gender mainstreaming has been introduced as a framework to promote the incorporation of gender into policymaking throughout every phase and engage a wide array of tools and participants. Implementing gender mainstreaming needs a top-down approach to transforming societal policies, behaviours, and attitudes towards women, reinforcing the promotion of gender equality in social mainstreaming. Thus, the way forward, gender mainstreaming often affects most people in local government where policy decisions are carried out, together with the supervision of the national government.

Similarly, women's empowerment as an approach to address the wage gap can be an effective strategy. Since, empowering women across social, educational, economic, political, and psychological dimensions becomes imperative. It will constitute the

authority for women to transform into confident, have high self-esteem, and be self-sufficient, contributing to positive and sustainable impacts across society as the agents of change themselves. Likewise, equal pay legislation and workplace policies set up the legal framework to guide organisations and employers, ensuring equal opportunities and eliminating discriminatory elements towards women. Ultimately, these frameworks offer practical implications to tackle gender inequality comprehensively, encompassing issues such as the gender pay gap and advocating for equality regardless of gender.

To summarise, gender inequality in the European labour market, especially the gender wage disparity in the same profession, women have significantly received the effects of this problem in various dimensions, such as income disparity, pension gap, and having a higher chance to be in poverty than men. These mentioned obstacles have forced women to be dependent on their partners socially and economically, which might correlate with additional problems like domestic violence, gender discrimination, sexism, etc. Therefore, to fulfil the requirement for addressing gender inequality issues, everything should be considered whether women's empowerment, education, and training to spread the awareness of gender equality, or policies and legislation to eliminate all forms of gender inequality towards everyone, especially women. Moving forward, there is also potential for similar studies in areas, such as social policies, human resources, gender studies, and beyond to bring positive solutions, providing gender equality not only for women but also for society as a whole.

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