

# **A Fuller Picture: The Additional Impact of Perceptions on Gender Pay Equity Beliefs**

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*Our research provides a fuller picture by building on factors explaining perceptions of gender pay equity. Similar to previous human capital research, our study further validates the relationship between human capital factors such as gender, age, ethnicity, educational attainment, and beliefs about gender pay equity. We go one step further, developing two scales, employee and employer perceptions, answering the call to investigate the impact of psychological variables on gender pay equity. Findings suggest that the full model, which includes human capital and perception variables, explains 33% of the variance in beliefs about gender pay equity, whereas the model consisting of just human capital factors explains only 8%. Employer perceptions of pay equity were significantly associated with beliefs that women do not receive equal pay for equal work, confirming the need to explore psychological factors. Implications emphasizing the importance of perceptions as an integral component offering a fuller picture when considering actions to decrease the pay gap between women and men are discussed.*

*Keywords: human capital, pay equity, perceptions, scale development*

## **INTRODUCTION**

The U.S. Census Bureau's (2021) Quarterly Workforce Indicators (QEI) show women in the United States earned 30% less than men, and that the pay gap increased with age. In 2020, US women earned about 82 cents for every dollar earned by men (U.S. Bureau of Labor Statistics, 2021). In other words, it took an extra 83 days of work for women to earn what men did in 2020. While the wage gap has narrowed since the 1980s (albeit stable in the 80 to 83% range since 2004), it must be noted that 2020 earnings data reflect significant employment declines among low-wage workers (U.S. Bureau of Labor Statistics, 2021). For example, Black women, Latinas, and other women of color are overrepresented in low-wage occupations, and many of the occupations feel the brunt of COVID-related job loss.

Although many suggest this pay gap does not exist in some industries nor among some positions, the full picture is often not considered. For instance, it's been reported that there is no pay gap between male

and female chief executives at publicly traded companies. However, women make up only 5.8% of the CEOs at S&P 500 companies or publicly traded companies, equating to just 29 women CEOs (Catalyst, 2020). Further, when examining the structure of CEO's pay, it is documented that the gender wage gap affects bonuses, 401k matches, and social security benefits for women executives (Ziv, 2019). The average bonus for women was less than two-thirds of what was paid to men, even when controlling for base pay, age, and tenure (Ziv, 2019). The future does not look bright for these types of disparities. It is expected that, if we continue on the same trajectory, women and men will not meet gender pay equity until 2059 (National Partnership, 2020).

The research presented in this paper reports data collected in the United States, but the phenomenon is global. While the trend indicates the gap is getting smaller (World Economic Forum, 2021) (i.e., improvements in 89 of the 144 countries), the reality is there is still a 32% average gender wage gap that remains to be closed (Salyer, 2020). Upon closer examination, in 2020, Western Europe was the region with the highest level of gender pay equity for the 15<sup>th</sup> consecutive year, followed by North America and Latin America, and the Caribbean, second and third places, respectively (World Economic Forum, 2021). While 98 of the 153 countries/regions examined over the past two years have narrowed their wage gap, 55 regressed or stalled (World Economic Forum, 2021). Regionally, "gender gaps can potentially be closed in 52.1 years in Western Europe, 61.5 years in North America, and 68.9 years in Latin America and the Caribbean" and about 135.6 years to close the gender gap worldwide (World Economic Forum, 2021:7). Again, the immediate future does not look promising for closing these gender gaps.

The gender wage gap has been recently highlighted in sports. On March 8, 2019 - not coincidentally, International Women's Day - 28 members of the U.S. Women's National Team, including Megan Rapinoe, one of Glamour Magazine's 2019 Women of the Year (Glamour November 2019) and Sports Illustrated 2019 Sportsperson of the year, filed a gender discrimination lawsuit. The lawsuit contended that the US Soccer Federation (USSF) is in violation of two federal laws: The Equal Pay Act and Title VII of the Civil Rights Act of 1964 (Kaplan, 2019). It was reported that U.S. female soccer players on average, make 38 cents for every dollar their male counterparts earn (Ziv, 2019). Further, the lawsuit contended that if the men's and women's teams won each of the 20 non-tournament games they are contractually required to play, female players would each earn a maximum of \$99,000 (\$4,950 per game), and men's team players would earn \$263,320 (\$13,166 per game). Although a federal judge dismissed the equal pay claim, the Women's National Team Player Association appealed the ruling, and in 2022, the U.S. Women's Soccer team reached a proposed settlement in their Class Action Equal Pay Lawsuit against the U.S. Soccer Federation. U.S. Soccer agreed to pay a lump sum of \$22 million in back pay to the players, and the federation will also put \$2 million into a fund for USWNT players' post-career goals and charitable efforts, with each player able to apply for up to \$50,000 (Carlisle, 2022). This willingness to make changes could be the first step towards gender pay equity in women's professional sports.

Given the popular press coverage of the gender pay equity issue, it is even more important than ever for managers to understand this phenomenon to make positive strides to rectify it. To do this, research must examine what contributes to inequity; not only the human capital factors that employees bring to work (i.e. education, experience, age, race) and those that managers use to determine compensation but also other factors that are more psychological in nature, such as perceptions regarding gender pay equity. Becker (1964) asserts human capital factors such as the ones mentioned above influence future monetary income which can explain differences in earnings. A criticism of this perspective is that employees' human capital factors can be quantified and outcomes are distributed rationally and free of bias (Lips, 2013). Lips' (2013) work on the gender pay gap explains why additional factors; specifically, psychological factors, should be examined in combination with human capital factors. Thus, this research study examines how human capital factors as well as political affiliation and perceptual antecedents influence beliefs of equal pay for women. Literature will be reviewed and followed by research questions and methodology. We present results from regression analysis, and conclude with the implications of findings.

## LITERATURE REVIEW

### Gender Pay Equity Beliefs

Understanding individuals' beliefs about gender pay equity can help to identify the behavioral methods needed to eradicate inequities experienced in the labor market. In this paper, we study several variables that may assist in understanding beliefs about gender pay equity. As part of this process, we will dissect perceptions from beliefs. Smith (2001) reminds us that "perceptions are not beliefs" (p. 285) and would argue that individuals' perceptions regarding gender pay equity formulate the enduring beliefs occurring via information processing. Thus, the dependent variable in the study is individual beliefs about gender pay equity. We then study several variables that may contribute to these beliefs as it is widely accepted that beliefs are composed of demographic and psychological factors that then in part, can affect one's behavior (Ajzen and Fishbein 1977); in this case, those behaviors that may eradicate gender pay inequities. In other words, Ajzen and Fishbein (1977) state that a person's behavior is partially a function of his/her beliefs. While this is an oversimplification, it supports the need for a framework that can develop ways to improve the inequities in the wage market, assuming we understand the antecedents of the beliefs. Thus, the antecedents of human capital factors, political affiliation, and perceptions are investigated in our work.

### Human Capital Factors

Our research examining antecedents to gender wage equity behaviors draws on the extensive human capital literature examining gender pay equity (Blinder 1973; Blau and Kahn, 2007, 2017). Individual factors such as age, education level, work experience, and hours worked are often examined. Human capital offers a framework whereby organizations consider the individual employees' knowledge, skills, and abilities that they value and compensate (Becker 1964). The literature is filled with research findings indicating positive relationships between an individual's education and compensation (Harris and Helfat, 1997; Ramaswami *et al.*, 2016), leading to the conclusion that deeper knowledge, higher level of skills and abilities lead to better labor market outcomes. Scholars advocating the human capital perspective (Bobbitt-Zeher, 2007; Brown and Corcoran, 1997; Xu, 2015) suggest education choices such as college major explain the wage gap because "...college major affects the kinds of occupations and industries college graduates work in." (Brown and Corcoran, 1997:21). Simply stated, individual earnings, (i.e., wages) are related to individual investments in education and work experience. The next section discusses the specific human capital factors under study, including age, gender, race, education, and income.

#### *Age*

Research suggests that perceptions regarding pay disparity increases with age. An examination of pay fairness perceptions using cross-section data from the British Social Attitudes Survey found that workers perceive more disparities as they grow older (Paul, 2006). Jackson and Grabski (1988:622) suggest that with age comes a "wisdom of experience" related to the cost of living as an explanation for their finding that older respondents believed that employees should and do earn more when compared to younger respondents.

#### *Gender*

Social role theory (Eagly, 1987) suggests societally-determined understandings about gender-appropriate characteristics lead to differences in behavior between men and women and is through this that the construct of the gender role is derived. Gender roles represent shared expectations of appropriate behavior for women and men (Beauregard, 2012, p. 594). Previous research suggests due to gendered socialization in the workplace; women may not perceive a pay inequity due to their lack of understanding of their worth and limited exposure to employment networks, leading to inadequate information on compensation levels (Powell and Mainiero, 1992). Additionally, results from a comparative study suggest a change in workplace perceptions between 2006 and 2013. Findings from the 2006 respondent cohort suggest they were immune to the injustice of gender discrimination at work (Sipe *et al.*, 2009). In contrast,

the 2013 results indicate a heightened awareness, including increased concern over gender discrimination (Sipe *et al.*, 2016) perhaps signaling increased awareness of this issue.

### *Race*

Despite decreases in the gender wage gap, “if change continues at the same slow pace, it will take until 2059 for women to reach pay parity, and even longer for women of color, until 2133 for Black women and 2226 for Latinas (Childers *et al.*, 2021). These sobering statistics highlight an opportunity to examine the relationship between gender, race, and pay inequities. Examination of pay equity at this level supports the intersectionality approach introduced by Crenshaw (1989) and reinforces the assertion that “any consideration of a single identity, such as gender, must incorporate an analysis of the ways other identities interact with, and therefore qualitatively change, the experience of gender” (Warner and Shields, 2013, pp. 804-5). Choi’s (2018) study examining pay disparity using an intersectionality lens indicates women of color are paid less than White women suggesting the relationship between gender and race/ethnicity is a factor in wage equity.

### *Education and Income*

As part of the human capital framework, Igarria and Chidambaram, (1997:3) suggest human capital theory implies “women have higher turnover rates, more career interruptions, and less success because they have lower educational levels and because they give higher priority to family responsibilities”. Moreover, this model assumes “women’s and men’s investments in education and in paid work represent individual choices rather than behavior constrained by necessity in many ways” (Lips, 2013:170). We further investigate the impact of education to deepen our understanding of gender pay equity beliefs. Since this study focuses on pay, including and investigating people’s beliefs by varying income levels is an additional variable under investigation in this study. Much has been written about the gender pay gap being wide at higher income levels (Stewart, 2022) and thus, we examine how beliefs differ by differing income levels.

### *Political Affiliation*

While human capital factors have been deeply investigated, political affiliation potentially offers another explanatory factor in the gender pay equity beliefs. Almost 4 in 10 Americans view the gender pay gap as not real and as more of a political issue (Renzulli, 2019). Differing views on the veracity of the gender wage gap mentioned above parallel American political party demarcations on gender equality. Democrats more likely indicate the U.S. has not gone far enough when it comes to achieving gender equality in comparison to Republicans (Horowitz *et al.*, 2017). While Americans acknowledge women’s economic gains during the last decade, they maintain that men still have it easier and reason for this advantage is highlighted by political party differences. Almost half of Democrats in comparison to Republicans, 46% vs. 31%, cite higher wages as the primary reason why men have it easier (Horowitz *et al.*, 2017). In a 2020 study by the PEW research center, strong perceptual differences regarding this issue are evident, with 76% of Democrat or Democrat-leaning respondents believing the country has not come far enough on gender equality issues with only 33% of Republican or Republican-leaning respondents in agreement, thus reinforcing a need to further examine the relationship between political affiliation and beliefs about the gender wage gap.

### *Perceptions in the Workplace*

Labor economists note the importance of examining psychological attributes (e.g., perceptions) as a possible explanation of gender differences in labor market outcomes not explained by traditional economic models, such as human capital models (Blau and Kahn, 2017). For example, research suggests psychological factors account for as high as 27.6% of the variance in accounting for the gender pay gap (Blau and Kahn, 2017). These results prove that an economic lens is insufficient to explain the gender wage gap. Relatedly, understanding the antecedents related to gender wage equity and factors that decrease this wage gap has yielded an increase of related scholarly work now resulting in several meta-analysis investigations (Stanley and Jarrell, 1998; Jarrell and Stanley, 2004; Weichselbaumer and Winter-Ebmer,

2005). Interestingly meta-analytic results underscoring a steady decrease in the gender wage gap due to better labor market endowments of females which came about by better education, training, and work attachment (Weichselbaumer and Winter-Ebmer, 2005: 508), also illustrate the lack of empirical studies examining the individual perceptions related to this topic.

Lips' (2013) work testing the human capital model frequently used to explain and rationalize the gender pay gap, also illustrates how the framework of this common model is flawed. Fundamentally, the model suggests differences in pay exist primarily due to different investments in education and employment between men and women - a simple input-output approach. But Lips (2013) demonstrates the phenomenon cannot be "explained," so simply and psychological factors should be considered.

Finally, Renzulli (2019) states 43% of men perceive there is no difference in compensation by gender for performing similar work, while women, on the other hand, appear to perceive this differently - only a quarter agreed both genders were evenly paid (Renzulli, 2019). Almost 60% of men were more likely to perceive that obstacles making it difficult for women to advance are now largely gone, compared to 36% of women (Renzulli, 2019). These perceptual differences are not just on the *employee* side, as noted Economist Olivia Mitchell who cites *employer* bias, as a significant issue women face contributing to the gender wage gap (Farber, 2017). Thus, the research presented here takes this approach and considers the psychological concept of "perceptions" - both employee and employer perceptions to further understand gender pay equity.

### *Employer Perceptions*

Perceptions of equitable pay further complicate and obfuscate the issue of a gender wage gap. Even though the evidence suggests that there has been progress in closing the gender wage gap, women continue to be affected by entrenched cultural and societal norms resulting in different attributes being associated with them versus men (Lips, 2013). Therefore, the pay gap is at least partly due to bias existing at the societal level, and this in turn, influences employer perceptions and thus, organizational sponsorship of women. To begin with, successful women are often perceived differently than men, and women working in roles associated as male are judged more harshly when compared to males in those same roles and can be perceived as "coldly ambitious" instead of assertive (Brescoll *et al.*, 2010, Okimoto and Brescoll, 2010). Also, female power holders are often seen as less legitimate than male power holders and receive less support from subordinates (Vial *et al.*, 2016). These perceptions hinder women's ability to obtain key roles in the organization or limit their ability for further advancement. It can also be more challenging for women to advance in management roles as their behavior and performance are more harshly evaluated (Eagly and Karau, 2002, Eagly *et al.* 1992, Bowen *et al.*, 2000), and female executives continue to face pay discrimination in senior management positions (Perryman *et al.*, 2016). The male manager's perception of women's desire for work-life balance is a significant obstacle for women on the path to senior leadership (Denend, *et al.*, 2020), and a larger percentage of male decision makers agree when jobs are scarce, men should have more of a right to a job than women (Time's Up Foundation, 2020). Additionally, Elvira and Graham (2002) found the pay gap to be even larger as it relates to incentive bonuses, thus widening the gap even further in upper management as this is where sizable bonuses are common practice. Therefore, it appears perceptions of gender differences held by employers continue to affect the women's ability to not only advance beyond middle management roles, but to receive fair compensation when they do and that attitudes held by both genders ultimately contribute to this outcome.

Another issue that impacts employer perceptions is that in many cases, women continue to be the primary caregivers in their families. In corporate America, it has been and remains the case that the ideal worker and the one most likely rewarded is the one who can and is willing to put in the required hours needed to get the job done. This becomes challenging, and conflicts arise when the primary caregiver is required to balance family and workplace demands (Cha, 2013. Cabrera, 2009). Therefore, women taking care of family are at a disadvantage compared to workers with no family obligations. Even when they have the same jobs as men, and work equally as hard as their male colleagues, women with family obligations are perceived as less dedicated and ultimately suffer the professional consequences. These consequences can be associated with subtle impacts related to equitable pay or assignment to prestigious projects or

positions that require extensive travel. Often these manifest as less frequent opportunities for promotion or advancement. They can also interrupt career paths and impact long-term earnings (Graf *et al.*, 2019). Although changes in perceptions have been improving, women acting as primary caregivers still experience discriminatory behavior due to the cultural expectations evident in society today. Together these findings emphasize the importance of employer perceptions as an integral component of understanding the fuller picture associated with gender wage equity.

### *Employee Perceptions*

These same cultural norms also influence employee perceptions and can result in female employees undervaluing themselves through perceiving they deserve less pay than their male counterparts (Lips 2013, Khovera, 2011). Kiser (2015) notes even though the response by men was higher, women also responded positively to the statement, “When jobs are scarce, men should have more right to a job than women”. This suggests that traditional cultural and societal norms remain entrenched regarding women’s status versus men regarding career choices and pay equity. In some cases, women do not even perceive there is a pay gap since they believe they should be receiving less than men (Gerhart and Rynes, 2003). This can be partially attributed to women comparing their salaries to gender-scccccc referents or other lower paid women, suggesting they may not be aware of the degree of the pay gap that exists (Major 1989, Major, 1994; Major and Forcey, 1985). Another factor that may influence this is gender homophily in social networks (McPherson *et al.* 2001), leading to men and women having different opportunities for wage comparison. Women may feel more comfortable comparing themselves solely to their female counterparts, especially regarding personal information like salary, ultimately limiting the degree of knowledge they have, reducing their perceptions of gender pay equity and hindering their aspiration to achieve pay equality. Therefore, women’s perception and awareness of gender pay inequity issues limit their attempts to advance their careers and force them to overcome social and systemic gender norms that prevent them from recognizing and demanding they receive equal compensation versus their male counterparts.

Other studies based on convenience sampling show that women are more likely than men to believe that women are paid less at work than men (Sipe *et al.*, 2016; Nwachukwu, 1996), and that college students seeking jobs show relatively low levels of concern about the pay gap, particularly when thinking about the effect it may have on them personally (Sipe *et al.*, 2016, 2009). While statistically reported earnings ratio differences between women and men are important to note, research examining individual perceptions related to gender pay equity may shed light on the persistence of this inequity, and Lips (2013) suggests that “psychological variables can contribute significantly to the gender wage gap - perhaps by affecting workers’ behaviors” (p.177). Our research builds on this focus by investigating the relationship between employee and employer perceptions of workplace behaviors, and gender pay equity attitudes which reinforce or dismantle pay inequities. Examining these perceptions can provide another lens to understand the persistence of gender wage inequities.

## **RESEARCH QUESTIONS**

In this paper, we explore human capital, political affiliation, and perceptual influences on beliefs toward equal pay for women among a nationally-representative sample. Our research questions emerge from the literature presented above and assess the impact of human capital factors, political affiliation, and perceptions on beliefs toward equal pay. Specifically:

**RQ1:** *What is the impact of human capital factors on beliefs of equal pay for women (i.e., gender, age, race/ethnicity, income)?*

**RQ2:** *What is the impact of political affiliation on beliefs of equal pay for women?*

**RQ3:** *What is the impact of employees’ perceptions of pay equity on beliefs of equal pay for women?*

**RQ4:** *What is the impact of employers' perceptions of pay equity on beliefs of equal pay for women?*

## **METHODS**

Much of the evidence on gender differences in psychological attributes has been gleaned from laboratory experiments and there are reasonable concerns about generalizing the results of such experiments outside the lab. Studies based on survey questions in data sets that include information on respondents' attitudes and preferences and other characteristics and labor market outcomes are more promising (Harrison and List, 2004). Thus, data in the current study were collected using an online survey; and not collected in a lab environment. The respondents (n=664) qualified for the survey as U.S. residents 18 years of age or older. Responses were approximately proportional to each state's population.

### **Dependent Variable**

#### *Beliefs of Pay Equity*

The dependent variable in this study is a single-item measure, the belief in pay equity. Participants were asked, "Generally speaking, would you say that women receive equal pay for equal work in this country?" with response options of yes, no, and unsure. This variable takes a very direct approach to assess respondents' beliefs of gender pay equity. Given the current state of this phenomenon (i.e., top of mind with a lot of public coverage), we were confident respondents would have a very accessible belief and could respond to a single-item measure that would produce reliable and valid results.

### **Independent Variables**

#### *Human Capital Factors*

Consistent with previous research examining various human capital factors (see Blinder, 1973; Blau and Kahn, 2007, 2017), we include a variety of demographic variables in the analysis. The categorical variables of gender (i.e., male versus female) and race/ethnicity (i.e., Hispanic, Non-Hispanic White, Non-Hispanic Black, Non-Hispanic Asian) were included. Age was treated as a continuous variable. Participant income was coded as a categorical variable (\$10,000 or less, \$10,001-\$40,000, \$40,001-\$75,000, \$75,001-\$100,000, \$100,001 or more) and a binary education variable was coded (i.e., individuals who have a high school education compared to those with some college experience or more). We also include employment (i.e., full-time, part-time, student, retired, homemaker, unemployed/disabled, unemployed/not seeking).

#### *Political Affiliation*

Finally, since there is some talk that political affiliation may affect the beliefs regarding gender pay equity, respondents were also asked about their political party affiliation (i.e., Republican, Democrat, Independent, or another party). While previous research individually examined many of the human capital factors, this study takes a more holistic approach by examining all of these factors together.

#### *Perceptions*

The survey included eight questions intended to measure *workplace perceptions of pay equity*. For example, respondents indicated their level of agreement with items using a four-point Likert scale (strongly disagree = 1 to strongly agree = 4) such as, "Women are less likely to negotiate" and "Employers see women as not needing pay equal to men." We conducted an exploratory factor analysis on all the items, which resulted in two subscales constituted by five of the eight original questions - two items measuring employee perceptions and three items measuring employer perceptions. A complete listing of the items in each scale and the reliabilities (i.e., *employee* and *employer perceptions of pay equity*) are listed in Table 1.

**TABLE 1**  
**PERCEPTIONS OF WORKPLACE PAY EQUITY SCALES**

Respondents rated these items on a four-point Likert scale (strongly disagree = 1 to strongly agree = 4)

Employee Perceptions of Workplace Pay Equity (Cronbach's Alpha: .77)

1. Women are less likely to negotiate for initial salaries and raises than men are.
2. Women are more polite, so they view the act of negotiation differently than men.

Employer Perceptions of Workplace Pay Equity (Cronbach's Alpha: .60)

1. Employers see women as not needing pay equal to men.
2. Jobs and titles being equal, women are promoted as frequently as men.
3. Most employers hide salaries to avoid comparison of equal pay for equal jobs.

## RESULTS

We examined how a set of human capital factors, political affiliation, and workplace perceptions of pay equity (*i.e., employee and employer*) are associated with beliefs toward pay equity via logistic regressions. Data were analyzed using Stata, v14 (*ref*). Table 2 presents all descriptive information for the complete sample.

**TABLE 2**  
**DESCRIPTIVE STATISTICS**

Female	48.8%
Age (years, range 18-85)	Mean = 44.5 (15.9%)
Race/Ethnicity	
Hispanic	18.5%
Non-Hispanic White	63.9%
on-Hispanic Black	13.0%
Non-Hispanic Asian	4.7%
Education	
Did not graduate high school	6.6%
HS diploma/GED	10.4%
Some college	35.2%
College Degree	34.6%
Master's Degree or higher	13.1%
Income	
\$10,000 or less	5.1%
\$10,000-\$40,000	30.0%
\$40,000-\$75,000	30.9%
\$75,000-\$100,000	15.1%
\$100,000 or more	19.0%



Female	48.8%
Age (years, range 18-85)	Mean = 44.5 (15.9%)
Employment	
Full-time	49.0%
Part-time	11.3%
Student	5.0%
Retired	16.0%
Homemaker	8.1%
Unemployed/disabled	6.3%
Unemployed/Not seeking	4.2%
Marital Status	
Single/Never Married	18.5%
Married	63.9%
Divorced/Widowed/Separated	13.0%
Party Affiliation	
Republican	30.6%
Democrat	32.7%
Independent	29.7%
Another party	7.1%

Table 3 presents the odds ratios from the multivariate analyses for three models: human capital factors only (Model 1), human capital factors plus political affiliation (Model 2), then a complete model that includes the scale measures of *Employee Perceptions of Workplace Pay Inequity* and *Employer Perceptions of Workplace Pay Inequity* (Model 3). For each of the human capital factors and relative to the first research question, women are significantly less likely than men to believe that women receive equal pay for equal work (OR=.28,  $p<.001$ ), a result that holds across all models. In other words, women's beliefs are less favorable than men's regarding equal pay for equal work. In addition, as individuals get older, they are less likely to believe that women receive equal pay for equal work (OR=.98,  $p<.01$ ) also significant in all models. Model 1 also shows that, when compared to their Non-Hispanic White counterparts, those of Asian background are far more likely to believe that women receive equal pay (OR=2.31,  $p<.01$ ). This result holds true in Models 2 and 3.

Interestingly, there is no statistically significant difference in beliefs about gender pay equity between Black and White respondents, but Hispanic respondents in Models 2 and 3 are statistically more likely to believe that women receive equal pay than their white counterparts. Regarding education, those who have a high school degree or less, when compared to those with at least some college education (OR=1.72,  $p<.05$ ) believe that women receive equal pay. Income did not demonstrate a conclusive result across all models.

**TABLE 3**  
**ODDS RATIOS FROM THE LOGISTICS REGRESSIONS OF PERCEPTIONS OF**  
**PAY EQUITY (N=664)**

	Model 1	Model 2	Model 3
Female	.28 (.19-.41)***	.28 (.19-.41)***	.52 (.33-.83)**
Age	.98 (.97-.99)**	.98 (.97-.99)**	.98 (.96-.99)**
Black	.74 (.41-1.35)	1.10 (.57-2.13)	1.30 (.58-2.90)
Hispanic	1.40 (.87-2.26)	1.74 (1.04-2.91)*	2.01 (1.12-3.64)*
Asian	2.22 (.99-4.96)*	2.31 (1.01-5.27)**	4.39 (1.73-11.1)**
Income: < \$10K	.47 (.20-1.14) <sup>+</sup>	.40 (.16-.98)*	.35 (.12-1.05) <sup>+</sup>
Income: \$10K-\$40K	.63 (.40-1.00)*	.64 (.40-1.02) <sup>+</sup>	.88 (.51-1.54)
Income: \$75K-\$100K	.84 (.50-1.42)	.84 (.49-1.42)	.97 (.52-1.82)
Income: > \$100K	.85 (.52-1.39)	.84 (.51-1.38)	.93 (.51-1.71)
Education: <= HS grad	1.63 (1.01-2.64)*	1.73 (1.06-2.82)*	1.98 (1.10-3.58)*
Democrat	----	.41 (.25-.68)***	.68 (.38-1.23)
Independent	----	.70 (.46-1.08)	.98 (.58-1.64)
Another Party	----	1.27 (.62-2.58)	1.20 (.51-2.82)
Employee Perceptions of Workplace Pay Equity	----	----	1.10 (.96-1.26)
Employer Perceptions of Workplace Pay Equity	----	----	.45 (.39-.52)***
Pseudo R <sup>2</sup>	.086	.101	.331

Notes: Odds ratios with 95% confidence intervals are presented. Race/Ethnicity = Non-Hispanic White is the reference group; Income = \$40k-\$75K is the reference group; Political Affiliation = Republican is the reference group; Education is binary

<sup>+</sup>*p* < .10, \**p* < .05; \*\**p* < .01; \*\*\**p* < .001.

Model 2 includes the impact of political affiliation. Political affiliation is a committed association, not a human capital factor. As stated previously, when accounting for this variable, the results from Model 1 largely hold true. Specific to research question 2, individuals who identify as Democrats are less likely than Republicans to believe that women receive equal pay for equal work (OR=.41, *p*<.001). It seems Republicans and Independents view the issue of gender pay equity similarly. Model 2, which includes

political affiliation, has stronger predictive value than Model 1, which included only human capital factors. Political affiliation helps better explain beliefs in gender pay equity.

Relative to Research Questions 3 and 4, Model 3 (full model) includes workplace perceptions, both *employee* and *employer* in addition to the human capital factors and political affiliation. The relationship between *employee perceptions of pay equity* and beliefs that women do not receive equal pay for equal work was not statistically significant in the model. However, when examining *employer perceptions of pay equity* in the full model, it is significantly associated with beliefs that women do not receive equal pay for equal work (OR=.45,  $p<.001$ ). While the effects of most demographic characteristics remain unchanged, the difference between Democrats and Republicans' beliefs regarding equal pay is no longer significant here.

## DISCUSSION, IMPLICATIONS AND FUTURE RESEARCH

This paper examines factors contributing to different beliefs toward equal pay for women. Obviously, with this objective, we are already beyond whether the pay gap exists. The gap exists, and research shows it is decreasing, although not expected to reach parity for at least another four decades. So, it is important to understand the antecedents of gender pay equity beliefs and the perceptions that impact these beliefs to extend the literature and further our understanding of gender pay equity, as well as take actions to decrease the gap.

Our paper contributes to the literature by including psychological factors (i.e., perceptions) in addition to human capital factors to explain beliefs toward women's pay equity. The full model explains 33% of the variance in beliefs about gender pay equity, whereas the model consisting of just human capital factors explains only 8%. This is a theoretical contribution that provides a fuller explanation which goes beyond human capital factors and begins to fill the gap in the literature identified by Lips (2012) and Blau and Khan (2017). Our human capital factor results match previous findings indicating that age and gender matter, older respondents and female respondents recognize more gender wage disparities (i.e., a belief that women are paid less). Our full model goes a step further and also illustrates that race is an important factor. Specifically, Asians and Hispanics differ in their beliefs from non-Hispanic Whites but Black respondents do not differ and have similar views as their white counterparts. Powell and Mainiero's (1992) research on gendered socialization, mentioned earlier, explains the differences reported by our Asian and Hispanic respondents. These respondents may not perceive pay inequity due to an incomplete understanding of the financial compensation their skill set can command. This may be surprising since wage statistics indicate that Asians are paid more than non-Hispanic White and Black employees (National Partnership for Women and Families, 2021). A closer inspection of labor statistics indicates large wage gaps between Asian American and Pacific Islanders ethnicities. We recognize that the ethnicities included within the broad category are vast, and our data did not permit us to examine potential differences related to this group of individuals' pay equity beliefs at a deeper level. Future research should investigate the potential for differences within this fast-growing group characterized by "subpopulations heavily concentrated in higher-wage professional and management occupations, with others heavily concentrated in lower-wage service occupations" (Bleiweis, 2021). Similarly, previous research would also suggest that Hispanics are not a homogenous group and consist of Puerto Ricans, Mexicans and Cubans (Schur *et al.*, 1987); thus, the same logic above pertains here and future research should investigate further. Alternatively, Hegewisch and Mefferd (2019) propose that while improvements in the earnings ratio for Latinas suggest some progress, it is likely due to fewer women in low-wage jobs working full-time, year-round and are no longer counted in the data; therefore, median earnings increased. Each of these explanations calls for further investigation to tease out the link between individuals' understandings of wage statistics and their beliefs on pay equity.

While income as a predictor was not stable across all models, there is some indication that income can be an explanatory factor. Individuals at an income level less than \$10K/year do not believe there to be a gender pay gap. At first glance, this may be puzzling; however, jobs that pay less than \$10K per year lend themselves to be hourly wages where there is more pay rate consistency and less opportunity to negotiate salary. Post-pandemic hourly wages are being covertly posted to attract workers so expectations are set and

uncertainty is removed. This may also explain the result regarding education. Those with less than a high school degree compared to those with at least some college education, believe there to be more gender pay equity. It is safe to assume that many of those who are paid less than \$10K/year are those who have only a high school degree. As individuals increase their levels of education and thus their income levels, beliefs of gender pay inequity creep in due to the more subjective nature of compensation. Future research should investigate why those of lower educational and income levels believe there to be greater pay equity with consideration of cultural and demographic backgrounds.

Political affiliation had no predictive value in the full model; however, due to its strong predictive nature in Model 2, we believe the impact of political affiliation should be further investigated. In the current study, we find that Democrats believed there to be a gender pay gap more than Republicans, which is consistent with previous literature. However, when including perceptions of pay equity (Model 3), there is a lack of statistical significance with the political affiliation variable. In today's politically charged climate, it may be that gender pay equity perceptions are a result of political affiliation, and there should be research that addresses the beliefs of different political ideologies and how these ideologies impact perceptions and beliefs of equity.

Our results examining employer and employee perceptions find support for the impact of employer perceptions over employee perceptions. Respondents' thoughts about employer perceptions were found to be statistically related to their own beliefs about gender pay equity, while their thoughts about employee perceptions did not impact their beliefs. This is a very interesting finding and suggests that individuals see the company as having more agency over their ability to ensure equal pay. This means that employees who are female, white or black, older, and educated with higher incomes are likely to see compensation replete with inequities. Thus, individuals in these groups must begin to take more action to inform themselves and others about the strategies that lead to equitable compensation. This means learning how to negotiate, understanding total compensation packages, and being ready to dispel myths regarding human capital explanations for accepting gender pay inequity. It is not all human capital; there is a fuller picture to be considered. This is consistent with Lips' (2013:178), who asserts that human capital factors do not simply represent individual choices and instead are the embodiment of "... systematic biases and poor alternatives that often confront women at work." Results from a pay equity study of U.S. government employees found that "... gender remained a critical factor explaining ongoing pay disparities, even after controlling for human-capital..." (Choi, 2018:364). Our study builds on Lips' (2013) appeal to examine the relationship between psychological variables (i.e., in this case, perceptions) and the gender wage gap.

Employers equally must understand their role in perpetuating wage inequities as well by enacting steps/policies that eradicate inequities and promote open dialogue and transparency (e.g., Paycheck Fairness). Our study examining individual's perceptions regarding employee and employer viewpoints related to wage equity addresses previous research (Lips, 2013 and Khoreva, 2011) and calls by others for the inclusion of perceptions when examining individuals' views related to this topic (Hamidullah *et al.*, 2021).

We created scales examining employee and employer perceptions. Items focusing on specific behaviors related to equity, such as promotions, job titles, and pay secrecy, were included. The inclusion of these measures addresses the gap in the literature highlighted by Khovera, (2011) and Lips (2013) for research examining perceptions related to gender wage equity. The marginal scale reliability while adequate for exploratory development, suggests that we do not stop here. Further research is necessary to validate these scales and their predictive power. For example, next steps include a focus on scale development research reliability checks such as test-retest as well as measures of content and criterion related validity should be established (Hair *et al.*, 1995).

The sample demographics were largely skewed in the direction of married non-Hispanic White respondents. This could have impacted responses to questions. Future research should aim to have a more diverse sample. Another area for concern and further investigation is the occupation of the respondents. This was not included here, and previous research suggests that perceptions and beliefs about gender pay equity can be related to occupation. The additional variance could be explained in our full model by including this variable and ultimately gain an even fuller picture of the gender pay phenomenon.

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