



Glass Ceiling Effect and gender inequality in big corporations.



YOON CHANG

ID: 6317192021

**SUBMITTED AS A PARTIAL FULFILLMENT REQUIRED FOR
THE MASTER OF BUSINESS ADMINISTRATION DEGREE
INTERNATIONAL PROGRAM, GRADUATE SCHOOL OF BUSINESS,
SIAM UNIVERSITY, BANGKOK, THAILAND**

2021



Title of Research: Glass Ceiling Effect and gender inequality in big corporations.
Author: Yoon Chang
ID: 6317192021
Major: International Business Management
Degree: Master of Business Administration (International Program)
Academic: 2021

**This independent study report has been approved to be a partial fulfillment in the
Master of Business Administration (MBA) program.**

Handwritten signature of Dr. Tanakorn Limsarun.

(Dr. Tanakorn Limsarun)

Advisor

Date..... 25 January 2022

Handwritten signature of Assoc. Prof. Dr. Jomphong Mongkolvanit.

(Assoc.Prof.Dr. Jomphong Mongkolvanit)


Dean, Master of Business Administration Program

Siam University, Bangkok, Thailand

Date..... 1 Feb 2022

ABSTRACT

Research Title : Glass Ceiling Effect and Gender Inequality in Big Corporations
Researcher : Yoon Chang
Degree : Master of Business Administration Program (International Program)
Major : International Business Management

Advisor : 
.....
(Dr. Tanakorn Limsarun)
..... 2 / Feb / 2022

Gender inequality is significant in big corporations, and is well-known that females are underrepresented in higher management functions and earn lower wages for the same work. Equal work for equal pay is not yet the standard in big corporations. This study aimed to investigate the determining factors that lead to this inequality. In this research, gender inequality is measured by the size of the wage gap and stagnation in career advancement. By means of a case study on past literature and research, this paper found that the Glass Ceiling Effect plays a significant role in maintaining this status quo. Gender stereotyping and current work-family arrangements are the core sources of the Glass Ceiling Effect that females experience, and in its place, the Glass Ceiling Effect ensures that females end up in lower paying sectors and encounter unfair treatment concerning receiving promotion.

Keywords: Glass ceiling effect, gender equality, wage gap, career advancement stagnation

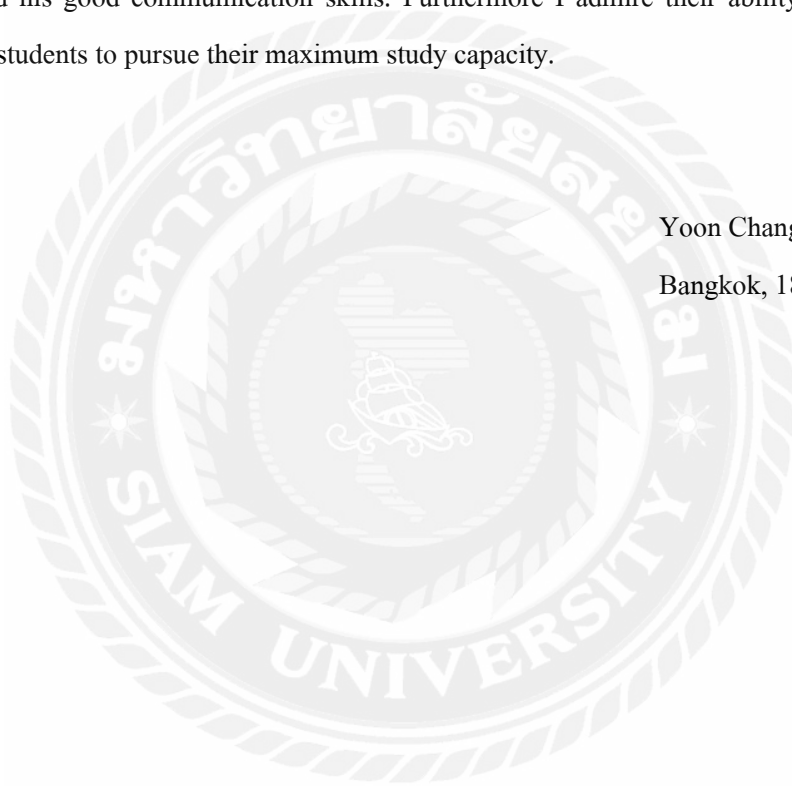


ACKNOWLEDGEMENT

In this section, I would like to express my gratitude to Dr. Tanakorn Limsarun, advisor and Assoc. Prof. Dr. Jomphong Mongkolvanit, Dean, Graduate School of Business, Siam University, Bangkok, Thailand for their thoughtful and caring supervision by means of his educational excellence. I am most grateful to them especially for their deep understanding of the Independent Study and his good communication skills. Furthermore I admire their ability to inspire and to motivate students to pursue their maximum study capacity.

Yoon Chang

Bangkok, 18.01.2022



CONTENTS

ABSTACT	A
ACKNOWLEDGEMENT	C
CONTENTS	D
LIST OF FIGURES	E
CHAPTER	
1 Introduction	
1.1 Research background	
1.2 Research problem	
1.3 Objective of the study	
1.4 The scope of the study	
1.5 Research significance	
2. Literature Review	
2.1 Gender Equality	
2.2 Glass Ceiling Effect	
2.3 Gender Stereotyping	
2.4 Gender Gap in Education	
2.5 Parenthood	
3. Discussion	
4. Conclusion and Recommendation	
REFERENCES	

Introduction

Research Background & Research Problem

According to the emancipation monitor 2018 of the Central Bureau of Statistics (CBS), women earn a lower hourly wage on average compared to men. This is partly due to segregation in the labor market (Portegijs & van den Brakel, 2018). In comparison to men, women tend to work in sectors where wages are lower, such as healthcare or clerical jobs (He & Zhou, 2018). Since 2015 there has been a small change in this, men are increasingly working in healthcare and more often, women are opting for jobs in predominantly male industries such as the technical sector (Borrowman & Klasen, 2020). Furthermore, study of Chrisholm-Burns, Spivey, Hagemann and Josephson (2017) shows that as example females in the USA constitute to more than half of the U.S. population, cover approximately half of the labor force, represent 70-80% of the country's spending and serve as number one financial supporter of the family in over 40% of all families and also hold around 60% of all university degrees and yet women face great difficulties in obtaining high managerial roles and are often absent from leadership functions such as CEO or other board member functions in large corporations. The Fortune 500 found in a 2017 research that women hold 19.9% of corporate board seats in the U.S. and only 5.8% of CEO functions in these corporates. Also in Europe, a study of the European Union found that 23.3% of board seats of the largest publicly listed companies are assigned to women and only 5.1% are women in CEO positions (Jourova, 2016).

Research by Merens & Dirven (2018) has shown that the number of women on the Board of Directors and Supervisory Board has increased in the 5,000 largest companies worldwide. However, despite this increase in women in senior positions, they merely hold one in five senior executive positions in the 500 largest companies and just under one in six senior executive positions in the 5,000 largest companies. The statutory target figure for a fair allocation of seats on the Board of Management and Supervisory Board between the sexes (30% men and 30% women) has therefore not yet been achieved (Terjesen & Sealy, 2016).

These statistics raise the question of what the causes are of this gender difference in big corporations. A possible answer is the existence of a phenomenon which is often referred to as "The Glass Ceiling Effect". The Glass Ceiling Effect is a concept which tends to explain the reason why females experience difficulty in climbing the corporate ladder and attaining similar salaries and managerial positions compared to equally qualified employees of the opposite sex (Bertrand, 2017). This phenomenon is held in place by various discriminating factors such stereotyped gender roles and work-family arrangements (Kachel, Steffens & Niedlich, 2016; Annink, Den Dulk, Steijn, 2015).

Objective of the Study

This study is focused to investigate and therefor better grasp gender inequality in big corporations. To do so, the Glass Ceiling Effect will be examined by researching the source of this phenomenon and also what the

consequences of this effect are on gender equality in big corporations. In addition, this study will highlight what it is, that keeps the Glass Ceiling Effect in place and ultimately, what has to be done do level the corporate playing field.

Scope of the Study

This study covers multiple facets which try to explain why females experience difficulties in attaining equal treatment in big corporations. Subjects such as gender equality, glass ceiling effect, family-work arrangements and glass floor in relation to big corporations will be investigated by doing a case study on past studies in scholarly journals, articles newspapers, books and more.

Research Significance

The topic of gender equality in big corporations is essential for economic prosperity, besides, societies and thus companies that value men and women equally are safer and healthier. It can be said that gender equality is a human right. This particular research adds on to current research by incorporating and emphasizing on the sources and means to eliminate the glass ceiling effect in relation to gender equality. Furthermore, the other side of the glass ceiling coin, namely glass floor, will add in the spaces where the current research on gender equality is lacking. Current studies on gender equality have predominantly focused on the difference in ambition and choice of study between men and women, in explaining the source of this inequality. In this paper however, the focus will be on how gender inequality in big corporations exists due to the glass ceiling phenomenon, by evaluating the source, consequences and possible solution for leveling out the playing fields.

Literature Review

Gender Equality

Gender equality is a common topic in large corporations, as is the reason why the playing fields have not yet been leveled. Gender equality in large corporations is assumed to mean that both genders receive equal pay for equal work, which is still not the case. Gender discrimination in the workplace is thought to be a driving force behind this inequality (Bertrand, 2017). According to Parker and Funk (2017), approximately 42 percent of working women in the United States have faced workplace discrimination based on their gender. These women reported acts of discrimination varying from being paid less to being passed over for assignments that both the women as well as their male counterparts were likely competent for. According to the women in this survey, the most common and obvious form of discrimination is the gender pay gap; 25% of the women surveyed say they were also paid less for the same job, whereas only 5% of males say they earn less than their female counterparts. Furthermore, other strong forces of gender discrimination can be seen in how women are treated; roughly 23% of women vs. 6% of men say they are treated as if they are not competent enough and that they have been

patronized. Another significant gap between the genders is that twice as many women say they receive less support of the senior management in comparison to their male counterparts and 1-in-10 working females say they have been regularly been skipped for the more important assignments and tasks whilst being equally qualified as their male peers.

The importance of gender equality is multifaceted but besides the ethical reasoning, the economic reasons to pursue gender equality are big enough to consider. Assuming that innate talent for corporate capabilities is equally distributed among males and females, one can only conclude that, in order to achieve the best economic outcome, women should have the same chances as men to reach the top management (Bertrand, 2017). This way of thinking is supported by a study presented by Hsieh et al. (2017), which quantified the amount of economic growth that is being unused due to the under representation of women and other minorities in the working force. The study showed estimates that approximately 25% of the United States GDP growth per person, between 1960 and 2010, can be explained by the decrease of barriers of entry of white women and other minorities such as the black men and women. This economical argument in favor of gender equality is also carried out by Yenilmez (2021) who states that gender equality can help the elimination of poverty due to the direct and indirect welfare contributions of a household in the case of women working and attaining better functions. Finally, another important factor to why gender equality is important, is an efficiency based argument namely that diversity within positions of leadership enhance productivity.

Glass Ceiling Effect

The phenomenon of the glass ceiling effect which constitutes to the maintaining of inequality of chances and pay that women experience in the corporate spheres can be tracked down to multiple possible sources; firstly the effect of gender stereotyping on academic choices, secondly the gender gap in education and thirdly parenthood.

Gender Stereotyping

Despite recent rises in female enrollment in higher education, the gender ratio in various types of education and sectors remains significant (Gerber & Cheung, 2008; Barone & Assirelli, 2020). According to Moorhouse (2017), this is due to gender stereotyping in academic decision-making, which results in different opportunities in the workplace. These differences in educational choices already take place in childhood, with girls leaning towards humanities subjects and boys towards science subjects (van Langen, Rekers-Mombarg & Dekkers, 2008). Although proficiency in certain subjects can be a predictor of study choice, it does not explain everything (Ceci & Williams, 2011; Stoet & Geary, 2018). Aside from the fact that girls frequently outperform boys in subject areas dominated by boys, more boys should take "feminine" subjects and more girls should take "masculine" subjects based on competencies (van der Vleuten et al., 2016; Stoet & Geary, 2018). According to van der Vleuten et al. (2016), gender role expectations internalized by children are an important factor in the

choice of study option. Perra and Ruspini (2013) propose another explanation for the disproportionate representation of boys and girls in 'masculine/feminine' fields of study. They claim that women who choose a masculine path are seen as moving up higher, whereas men who choose a feminine path are seen as moving down. As a result, men's and women's perceived competence is influenced by their gender roles. Gender stereotyping can influence educational choices in three ways: (1) how young people assess their competence in certain subjects (competence beliefs), (2) what young people value in their future job (value of profession), and (3) which subjects young people prefer (subject preferences) (van der Vleuten et. al, 2016).

For starters, gender stereotypes influence scholarly choices by influencing the beliefs that both boys and girls have about academic ability (Wynn & Correll, 2018). According to Wynn and Correll (2018), when traditional gender roles are followed, boys are more confident in completing science subjects well than girls, who believe they are more competent in reading comprehension, languages, and social activities. Crombie and colleagues (2005)

Second, because different values are attached to different occupations, gender stereotyping influences study choice (Diekman et al., 2017). According to their findings, women place a higher value on socially responsible work, whereas men place a higher value on status, prestige, and prosperity. This is consistent with the stereotypical gender role expectation that men should be breadwinners and women should be caregivers, according to van der Vleuten et al. (2016).

Third, gender stereotyping influences academic choices by influencing young people's course preferences. According to these stereotypes, subjects like mathematics and computer science belong more to men, while arts and linguistics belong more to women (van der Vleuten et al., 2016). According to van der Vleuten et al. (2016), if young people hold on to these roles, it appears that young people identify and prefer these subjects more.

Gender Gap in Education

Young women earn an average of 5%-7% less per hour than young men, despite the fact that women nowadays study more often than men, perform better on average and graduate faster (Muller & van den Brakel, 2018). The most common explanation for this inequality in studies is that women specialize in fields that pay less (Blau & Kahn, 2020). However, Bobbit-Zeher (2007) indicates in her research that this wage difference still exists, even if men and women have made the same choice of study, have obtained grades and have received diplomas. Although the specialization in fields does not explain the entire wage difference, there are considerable differences.

At university level, there are major differences between the types of education that men and women choose (Bobbit-Zeher, 2007). Men are significantly more likely to opt for economic or technical studies and women significantly more often for social and educational studies. According to her research, 63% of women follow "typical feminine studies." In addition, the types of jobs these "feminine studies" work toward are

characterized by low wages, low status, and limited advancement opportunities such as nursing jobs versus engineering jobs. Furthermore, her study shows that there is not a significant difference in the choice of university between men and women. In addition to the effect on future wages, academic decisions also appear to have an effect on attaining higher management positions.

Parenthood

The final source of the glass ceiling effect is parenthood and its side effects. Women are treated differently in the labor market because of widely accepted family and gender roles (Kachel, Steffens & Niedlich, 2016). Children develop a sense of self, the ability to relate to others, and the ability to play a role in society. They also develop a mindset about the roles and expectations associated with the two gender groups (gender roles) and their own identity as a member of one of these gender groups throughout this process (gender identity) (Golshirazian et al., 2015). Children learn stereotypical masculine and feminine gender roles wherein traits such as being familial, giving love, and caring are attributed to women and attributes such as autonomy, competitiveness, and self-assurance are attributed to men (Golshirazian et al., 2015). As a result, women are considered as family caregivers, whereas men are regarded as breadwinners. Because of this division of domestic tasks and work, women have assumed primary responsibility for child rearing. Furthermore, women are forced choose between work and family (Toffoletti & Starr, 2016).

Despite the increase in female labor growth (Muller & van den Brakel, 2018), a gender gap will persist because men will not have to take leave when their child is born. Due to the fact that women do have children and are forced to take leave as a result and that women are assumed to be the caregiver of the family due to stereotypical gender (Kachel, Steffens & Niedlich, 2016), certain work-family arrangements have been created so that women can work and take care of their families can better combine their paid work.

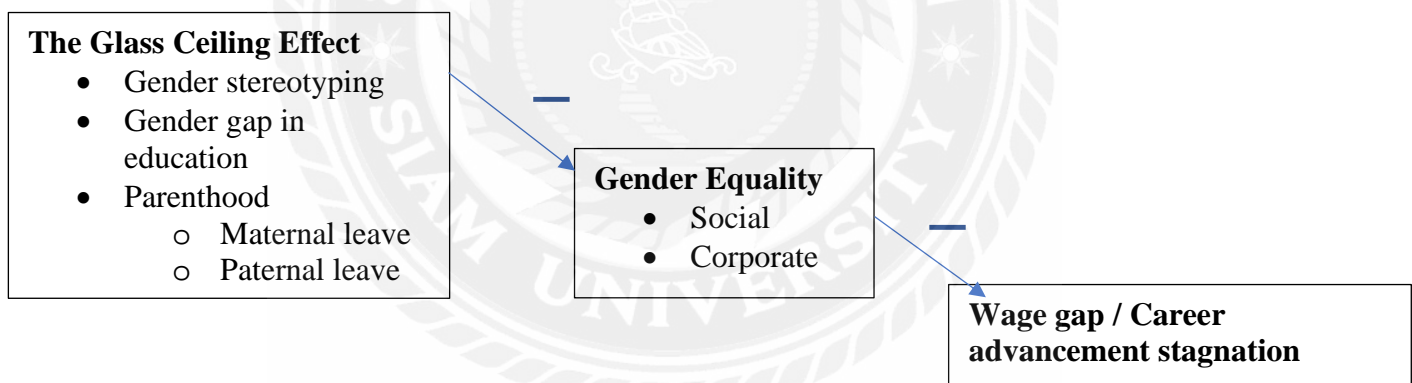
Work-family arrangements that facilitate the combination of paid work and family responsibilities can ensure that women have equal access to the labor market as men, provided that these schemes are available to both men and women and that they both use them (Lomazzi, Israel & Crespi, 2019). The types of work-family arrangements vary greatly across European member states. Maternity leave is recognized in all EU Member States, and paternity leave is recognized in five countries (Castro-García & Pazos-Moran, 2016; Annink, Den Dulk & Steijn, 2015).

Many EU countries allow mothers and fathers to share parental leave, but research shows that most countries' leave arrangements are used primarily by women (Lomazzi, Israel & Crespi, 2019). Jobs that provide maternity leave, particularly paid maternity leave, increase the likelihood that women will work before having children, as well as the likelihood and speed with which they will return after maternity leave. Research shows that leave arrangements are important in individual work (Lomazzi, Israel & Crespi, 2019). so and return to work in greater numbers than mothers who are not permitted to take leave from work. Research by Olivetti & Petrongolo (2017) suggests that paid leave would increase the the overall population of working women. Despite

the fact that leave increases the overall employment rate, interruptions in women's work due to maternity and other family responsibilities can result in lower relative wages. (Olivetti & Petrongolo, 2017). This leads to the question of how the option to (or use of) leave affects wage disparities between mothers and non-mothers, or between men and women.

Employers recover the costs associated with a leave, particularly long-term leave, due to a reduction in human capital and thus a reduction in productivity compared to employees who do not take breaks. Furthermore, wage declines may be the result of women being displaced from female-dominated industries as a result of leave arrangements (Del Rey, Racionero & Silva, 2017). On the other hand, one can argue that leave schemes offer women the opportunity to keep a job with the same employer for longer, encourage them to build up their tenure and place in the hierarchy and thus increase their potential for develop higher wages compared to women who have fewer incentives to return after their leave. Leave therefore has advantages and the biggest disadvantage mainly stems from the fact that it is mainly women who take it. Unless men and women start to share unpaid care and men make more use of work-family arrangements, gender inequality will persist and work-family arrangements will be disadvantageous for women.

Discussion



1. The Glass Ceiling Effect is negatively related to Gender Equality; the stronger the forces that keep female professional advancement down, the more unequal the genders will be in corporations.
2. Gender Equality is negatively related to Wage gap and Career advancement stagnation; the more unequal the genders are, the bigger the wage gap will stay and the smaller the chances of female career advancement will be.

Conclusion and Recommendation

On the basis of this research conclusions can be drawn on the consequences of the glass ceiling effect on gender equality in big corporations. Even though nowadays more females study and the women also constitute to a crucial part of the worlds workforce, women still face discrimination on the bases of gender in the form of lower wages and less career advancement possibilities compared to their male counterparts. This is due to a

phenomenon described as 'The Glass Ceiling Effect'. Because of gender stereotyping, females are more likely to pick different academic curricula which often lead to attaining jobs in fields that are characterized by low pay and low advancement opportunities, which constitutes to the glass ceiling effect. In addition, the current way parental leave is organized decreases the chances for females to progress in their career and also demotivates men taking paternal leave which creates a vicious cycle resulting in making it more favorable and profitable to hire and promote men instead of women. So the recommendation I would make is to gender-neutralize childcare (Druehdahl et al., 2019). This process should start in the early stages of personal development by tackling gender role stereotyping (Ellemers, 2018). This could be done by for instance gender neutral toys, so not limiting a girl to Barbie or a boy to a toy gun. Also schools and other institutions should not categorize specific tasks to any gender, but instead to the person most suited for the task. Further, new laws should come into place which make sure both parents are forced to take up an equal amount of time of parental leave in order to even out the playing fields (Hagqvist et al., 2017). It should be mandatory for both mother as well as father to take parental leave for the same period of time. This way big corporations won't be incentivized to predominantly hire and promote males because the time and work lost by women after birth will be equally spread among the sexes (Druehdahl et al., 2019). This is backed by research by Lomazzi, Israel & Crespi (2019) which had been elaborated on earlier. If both parents would be hold into account equally concerning child care, then the parental law seems successful because neither of the parents could be favored to acquire a better contract or position.

References

- Annink, A., den Dulk, L., & Steijn, B. (2015). Work-family state support for the self-employed across Europe. *Journal of Entrepreneurship and Public Policy*, 4(2), 187-208.
- Barone, C., & Assirelli, G. (2020). Gender segregation in higher education: an empirical test of seven explanations. *Higher Education*, 79(1), 55-78.
- Bertrand, M. (2017). The glass ceiling. *Becker Friedman Institute for Research in Economics Working Paper*, (2018-38).
- Blau, F. D., & Kahn, L. M. (2007). The gender pay gap: Have women gone as far as they can?. *Academy of Management Perspectives*, 21(1), 7-23.
- Bobbitt-Zeher, D. (2007). The gender income gap and the role of education. *Sociology of Education*, 80(1), 1-22.
- Borrowman, M., & Klasen, S. (2020). Drivers of gendered sectoral and occupational segregation in developing countries. *Feminist Economics*, 26(2), 62-94.
- Castro-García, C., & Pazos-Moran, M. (2016). Parental leave policy and gender equality in Europe. *Feminist Economics*, 22(3), 51-73.
- Ceci, S. J., & Williams, W. M. (2011). Understanding current causes of women's underrepresentation in science. *Proceedings of the National Academy of Sciences*, 108(8), 3157-3162.

- Chisholm-Burns, M. A., Spivey, C. A., Hagemann, T., & Josephson, M. A. (2017). Women in leadership and the bewildering glass ceiling. *American Journal of Health-System Pharmacy*, 74(5), 312-324.
- Crombie, G., Sinclair, N., Silverthorn, N., Byrne, B. M., DuBois, D. L., & Trinneer, A. (2005). Predictors of young adolescents' math grades and course enrollment intentions: Gender similarities and differences. *Sex Roles*, 52(5-6), 351-367.
- Del Rey, E., Racionero, M., & Silva, J. I. (2017). On the effect of parental leave duration on unemployment and wages. *Economics Letters*, 158, 14-17.
- Diekman, A. B., Brown, E. R., Johnston, A. M., & Clark, E. K. (2010). Seeking congruity between goals and roles: A new look at why women opt out of science, technology, engineering, and mathematics careers. *Psychological science*, 21(8), 1051-1057.
- Druehdahl, J., Ejrnæs, M., & Jørgensen, T. H. (2019). Earmarked paternity leave and the relative income within couples. *Economics Letters*, 180, 85-88.
- Ellemers, N. (2018). Gender stereotypes. *Annual Review of Psychology*, 69, 275-298.
- Gerber, T. P., & Cheung, S. Y. (2008). Horizontal stratification in postsecondary education: Forms, explanations, and implications. *Annual. Rev. Sociol*, 34, 299-318.
- Golshirazian, S., Dhillon, M., Maltz, S., Payne, K. E., & Rabow, J. (2015). The effect of peer groups on gender identity and expression. *International Journal of Research*, 9.
- Hagqvist, E., Nordenmark, M., Pérez, G., Trujillo Alemán, S., & Gillander Gådin, K. (2017). Parental leave policies and time use for mothers and fathers: a case study of Spain and Sweden. *Society, Health & Vulnerability*, 8(1), 1374103.
- He, G., & Zhou, M. (2018). Gender difference in early occupational attainment: The roles of study field, gender norms, and gender attitudes. *Chinese Sociological Review*, 50(3), 339-366.
- Hsieh, C. T., Hurst, E., Jones, C. I., & Klenow, P. J. (2019). The allocation of talent and us economic growth. *Econometrica*, 87(5), 1439-1474.
- Jourova, V. (2016). Gender balance on corporate boards: Europe is cracking the glass ceiling. *Brussels: European Commission*. Retrieved from https://www.genderportal.eu/sites/default/files/resource_pool/FS-WOB-FINAL-EN-WEB.pdf
- Kachel, S., Steffens, M. C., & Niedlich, C. (2016). Traditional masculinity and femininity: Validation of a new scale assessing gender roles. *Frontiers in psychology*, 7, 956.
- Lomazzi, V., Israel, S., & Crespi, I. (2019). Gender equality in Europe and the effect of work-family balance policies on gender-role attitudes. *Social Sciences*, 8(1), 5.
- Merens, A. en H. J. Dirven (CBS) (2018). Komen er meer vrouwen in topfuncties?. In: *Emancipatiemonitor: 2018*. Retrieved from <https://digitaal.scp.nl/emancipatiemonitor2018/komen-er-meer-vrouwen-in-topfuncties>.

- Moorhouse, E. A. (2017). Sex segregation by field of study and the influence of labor markets: Evidence from 39 countries. *International Journal of Comparative Sociology*, 58(1), 3-32.
- Muller (CBS), L. en M. van den Brakel (CBS) (2018). Neemt het loonverschil tussen mannen en vrouwen af?. In: *Emancipatiemonitor: 2018*. Retrieved from <https://digitaal.scp.nl/emancipatiemonitor2018/neemt-het-loonverschil-tussen-mannen-en-vrouwen-af>.
- Olivetti, C., & Petrongolo, B. (2017). The economic consequences of family policies: lessons from a century of legislation in high-income countries. *Journal of Economic Perspectives*, 31(1), 205-30.
- Parker, K., & Funk, C. (2017). Gender discrimination comes in many forms for today's working women. *Pew Research Center*, 14.
- Portegijs, W., & M. van den Brakel (CBS) (2018). Emancipatie weer in de lift. In: *Emancipatiemonitor: 2018*. Retrieved from <https://digitaal.scp.nl/emancipatiemonitor2018/emancipatie-weer-in-de-lift>.
- Stoet, G., & Geary, D. C. (2018). The gender-equality paradox in science, technology, engineering, and mathematics education. *Psychological science*, 29(4), 581-593.
- Terjesen, S., & Sealy, R. (2016). Board gender quotas: Exploring ethical tensions from a multi-theoretical perspective. *Business Ethics Quarterly*, 26(1), 23-65.
- Toffoletti, K., & Starr, K. (2016). Women academics and work–life balance: Gendered discourses of work and care. *Gender, Work & Organization*, 23(5), 489-504.
- Van der Vleuten, M., Jaspers, E., Maas, I., & van der Lippe, T. (2016). Boys' and girls' educational choices in secondary education. The role of gender ideology. *Educational Studies*, 42(2), 181-200.
- Van Langen, A., Rekers-Mombarg, L., & Dekkers, H. (2008). Mathematics and science choice following introduction of compulsory study profiles into Dutch secondary education. *British Educational Research Journal*, 34(6), 733-745.
- Women in S&P 500 Companies (2017, March 1). Retrieved from <https://www.catalyst.org/research/women-in-sp-500-companies/>
- Wynn, A. T., & Correll, S. J. (2018). Combating gender bias in modern workplaces. In *Handbook of the sociology of gender*. (pp. 509-521). Cham: Springer.
- Yenilmez, M.I. (2021). Bridging the gender gap in emerging economies for a better future of work for all. In *The economics of gender equality in the labour market* (pp. 1-16). England, UK: Routledge.