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# Impact of Organizational and Labour Market Factors on Inter-Gender Wage Gap: Perspectives of Sri Lankan Women

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## ABSTRACT

**Purpose:** Institutional and organizational factors are crucial as they are purported to have a significant influence on inequality. Organizations are the institutions that determine wage rates and the treatment of male and female employees. They may exhibit wage equality or inequality, which is subsequently reflected in labor markets (Hultin & Szulkin, 2003). Therefore, it is essential to understand how these factors influence the wage gap. This research aims to analyze the experiences and perspectives of selected women in depth to identify the critical factors leading to gender-based wage inequality. **Design:** Following a systematic literature review, the study employed a qualitative methodology, specifically a case study analysis, wherein the author conducted in-depth interviews with three women. A 'narrative quoting' technique was utilized in the analysis. The sample comprised women who hold high managerial positions in the corporate sector. **Findings:** Key dimensions identified as affecting the gender wage gap were inflexible work policies, limited opportunities for women, stagnation in promotions and progression, lack of gender representation, negotiation incapability, male dominance, sex segregation and sex similarity, and insufficient technological education and networking. **Originality:** This study was conducted to examine organizational and labor market-related factors that affect the gender-based wage gap, which is an under-explored area of study. The research utilized a qualitative method to conduct an in-depth analysis and derive factors that have not been previously examined in the Sri Lankan context. Notably, factors that are not readily captured through quantitative analysis are discussed herein. The results of this study will assist policymakers in identifying root causes behind gender wage inequality related to organizations and the labor market.

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## **1. Introduction**

Despite the increasing attention of scholars on the gender wage gap research, the influences of organizational factors on gender wage inequality remains an open issue. Lippe et al. (2019) argue that organisational work-life policies would reduce gender wage inequality, and employers who offer a better life have a smaller wage gap. On the other hand, understanding where women lie in an organisation structure and gender representation could be said as paramount in interpreting pay gaps. Chevalier (2007) points out how women settle for convenience which leads to massive gender based segregation in labour markets. Another main factor in the literature that impacts the gender wage gap is the fact that whether women work for the private or the public sector.

In Sri Lanka, significant gender disparities persist in the labor market. As of 2023, the labor force participation rate for females was 32.1% markedly lower than the 71.9% for males. This issue is further reflected in the earnings, where ILO (2024 p12) reports that 'average female hourly wages were approx. 27% lower than males'. Samarasinghage (2024) states that the gender wage gap in Sri Lanka has reduced over the time, however the decrease is not statistically significant, and the issue still exists. Research evidence that the women still go through this unfortunate experience where sometimes they even work more hours than men but get paid lesser them. Labour market factors and the aspects within organizations can lead to augmenting this issue especially after covid 19, where the impact on women were severe compared to their male counterparts. Within this background, this study aims to carry out an in-depth examination of the experiences and perspectives of women to understand which crucial factors lead to gender-wage inequality. Especially, the study focuses on the factors that are not being able to be captured through quantitative analysis.

## **2. Literature Review**

### **2.1 Organizational Factors**

Van der Lippe and Van Dijk (2002) assert that flexible organizational policies, such as family-friendly policies, would contribute to higher women's employment; however, a gender wage gap could persist. This indicates that the organization's culture, including the presence of a mother-friendly environment, would not necessarily eliminate gender-based earnings disparity. Regarding the reproductive role that women are expected to fulfill, they are likely to take extended leaves, which would adversely affect their wages compared to their counterparts. Gender wage disparity, from an organizational perspective, is also associated with women's limited access to managerial positions (Hultin & Szulkin, 2003). Certain researchers identify organizational culture as a platform where "gender inequalities are perpetuated" (Acker, 2012). In contrast, Lippe et al. (2019) note that certain HR managers are concerned about the organization's culture, which indirectly reduces inequality. This suggests an explanation for why some organizations directly recruit women to top management positions with equitable salaries. A study conducted in Sri Lanka by Solorotoff et al. (2018) demonstrates that work-life policies in private sector organizations failed to accommodate women's caregiving responsibilities, resulting in discrimination against them.

The State Services Commission of New Zealand (2020) characterizes gender representation as the process of mapping the distribution of men and women within an organization, as well as their placement within its hierarchical structure. This distribution, particularly the extent to which women can attain higher positions or are restricted from doing so, plays a significant role in explaining gender pay disparities. Hultin and Szulkin (2003) assert that women's limited access to managerial roles within organizations is a primary factor contributing to the

gender wage gap. In essence, women's underrepresentation in decision-making positions within organizations serves as a key determinant of gender-based wage inequality. Additionally, it has been suggested that "sex-differentiated networks" may function as a barrier to career advancement, further perpetuating the gender wage gap by limiting women's opportunities to gain critical experience, thereby impacting their earning potential.

Sociological research has identified occupational sex segregation as a key factor contributing to wage disparities between men and women. According to Chevalier (2007), women are often perceived as less career-driven and more inclined to seek employment in the public sector, which leads to significant gender segregation in the labor market. This notion suggests that women may be perceived as having a shorter commitment span compared to men, which may lead some organizations to avoid hiring women (Grybaite, 2006). In addition to family responsibilities, which are commonly cited as impacting women's wages, the higher "wage penalties" associated with extensive parental leave can further exacerbate the gender wage gap. Gangl and Ziefle (2009) note that West Germany, for example, experiences significantly higher wage penalties than both the US and Great Britain, highlighting the discriminatory nature of unequal access to certain occupations. Ranaraja et al. (2016) emphasize that, in Sri Lanka, employers view occupational sex segregation as an ingrained societal norm, dictating the kinds of jobs deemed "appropriate" for men and women. Such stereotypical and paternalistic attitudes reinforce gender inequality and hinder the empowerment of women in the workforce.

As noted, women are increasingly pursuing higher-paying, traditionally male-dominated roles, such as professional and managerial positions. However, Barroso and Brown (2021) argue that women remain concentrated in lower-paid occupations, exacerbating the gender pay gap. Alaez and Ullibarri (2001) similarly identify sectoral and occupational sex segregation as the primary driver of gender wage disparities in the Spanish labor market.

The fact that whether you work for a private or public organisation matters since there are differences in wage formation across the two sectors. With few exceptions, in literature, it is the common perception that in upper-middle-income earning countries, the public sector pays a higher average wage than the private sector for similar jobs (Gindling et al., 2019). Public sector appointments are more backed by political appointments rather than the real dependent on productivity and labour market requirements; hence the salary determination is abrupt (Hausman et al., 2020). On the contrary, in the private sector, most selections are based on qualifications and experience; hence, the pay determination is based on relevant factors.

The type of organisation is one determinant that influences the gender wage gap. In European countries, a bigger wage gap is recorded in the private sector compared to the public sector. Confirming the above argument, Menicia et al., 2020 state that women earn 11.8% lesser than men in public sector organisations and in the private sector is 16.9%. Similarly, the effects of sex segregation are lesser in public sector organisations than in private sectors. On the contrary, Antón and Bustillo (2015) prove that glass ceiling effects are much lesser in public organisations. In addition, it was confirmed in Australia that public sector wage premiums are much more stable for women in all quintiles (Cai & Lau, 2011). This would lead to a lesser gender wage gap in one sector. Hence, the magnitude of the gender wage gap would be determined by which sector a woman chooses to work in. The report for the women's conference in 2012 also evidences that the gender-based wage gap exists in the UK in both private and public sectors; however, in the public sector, it is significantly lower. The report also depicts that most low-paying jobs are in the private sector and shows a more concentration of women. Sriyananda (2017) explains that there is a similar situation in Sri Lanka where women are at a disadvantage about pay in both private and public sectors.

When wage inequality is concerned, studies prove that the gender pay gap is higher at the top and the bottom quartiles of the wage distribution. That means the lowest and highest-paid workers face the gender wage gap issue most (Vo et al., 2021). Either way, these could suggest a "glass ceiling" or a "sticky floor" effect. A similar finding by Carrillio et al. (2014) is that in Bolivia and Peru, the "unexplained" part of the gender wage gap is particularly large at the bottom of the wage distributions, directly reflecting a "sticky floor" while in Brazil and Uruguay, the most significant unexplained parts are with the top of the distribution suggesting a "glass ceiling effect". Further research by these authors concludes that the glass ceiling effect is more correlated with richer countries. In comparison, sticky floors are primarily prevalent in poorer countries (GDP was taken as the indicator).

## **2.2 Labor Market Dynamisms**

It is evident through research (Lavina et al., 2019) that developing countries have more fragmented labour markets than developed countries, which affects women more than men. It is well-researched that the gender wage gap results from the explainable individual characteristics of women. However, factors associated with the labour market cannot be ignored. Hospido and Benito (2016) state that factors such as trade unions and minimum wage legislation could affect the disparity of wages for women.

In Vietnam, inequality is largely perpetuated by the distribution of power, which is often tied to individuals' wealth. This results in a scenario where the wealthy have access to superior services, while the poor are systematically deprived of them. Discriminatory practices are evident in the restricted access of marginalized groups, particularly women, to public services and participation in policy-making processes (Oxfam, 2017). Wage disparities between men and women in similar roles further exacerbate economic inequality, as these differences undermine the purchasing power of the disadvantaged group. The literature suggests that such disparities have far-reaching macroeconomic consequences, leading to wage suppression, declining living standards, underutilization of labor, and increased labor disputes (Brady, 1998, as cited in Hessaramiri & Kleiner, 2001).

The tendency of women to accept lower-paying jobs, often viewing them as "fair wages" despite gender-based discrimination, contributes to the widening gender wage gap. Zucco (2019) notes that women tend to settle for lower-paid occupations, while men are more inclined to pursue higher-paying roles, further highlighting the gender earnings disparity. Similarly, in Sri Lanka, women are less involved in the labor market compared to men, often occupying lower-ranking positions.

Globally, urbanization and the adoption of advanced technological practices have been shown to provide greater employment opportunities. However, it remains debatable whether these advancements will reduce the disadvantages women face compared to men. Tacoli (2013) argues that urbanization offers women increased independence and improved social status. Conversely, women working in less technology-driven sectors are often less visible and face further marginalization. This raises questions about whether urbanization itself contributes to the continued marginalization of women in certain contexts.

## **3. Methods**

The research adopts a qualitative research approach with narrative quoting as the analytical method. Five cases were chosen using purposive sampling to carefully analyse the perspectives of the women relating to how they felt and experienced the gender wage gap while progressing in the corporate ladder. In the analysis, both organizational and labour market dynamism variables were discussed in detail.

Five top management women were selected to share their experiences of disparity, throughout the process of becoming who they are today. Their demographics and the names of the organizations they work for are reported anonymous due to the confidentiality of the data provided. The main aspects discussed were organizational culture, gender representation, barriers to career enhancement, urbanization, technology enhancement, and unionization; and how these could have led to a gender-based disparity.

## 4. Analysis

### 4.1 Organizational Culture

The below dimensions were analysed related to organizational culture through the discussion guide.

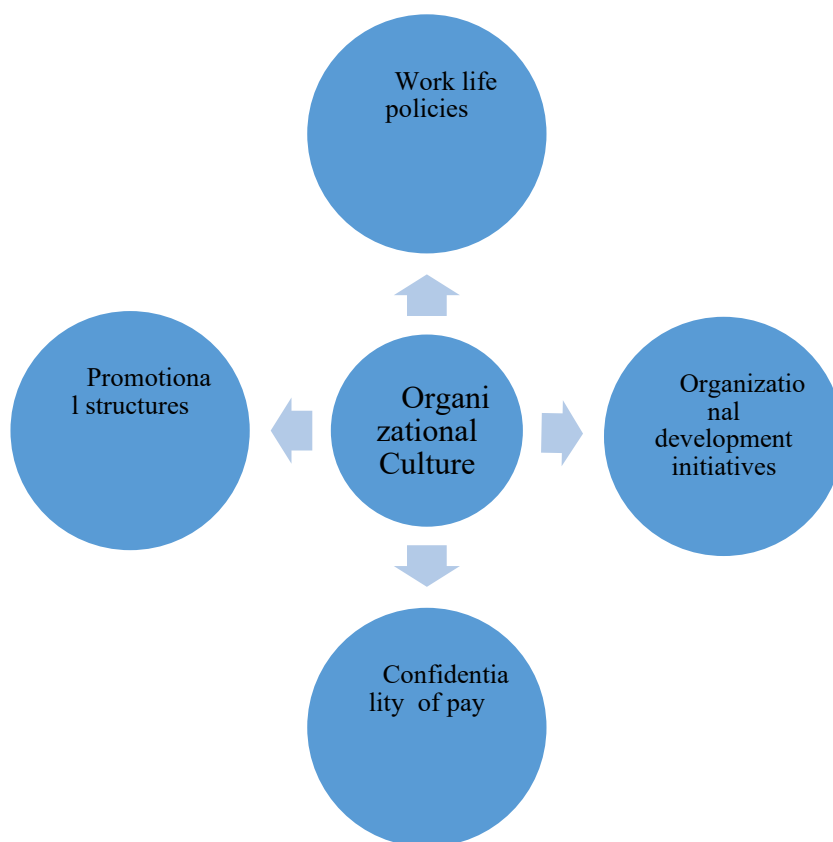


Figure 1. Dimensions of organizational culture  
Source: Drawn by the author

#### 4.1.1 Work Policies

Balanced work life policies are crucial for any employee to ensure that they are productive at work and also, they spend adequate time with their families. Much research proves that these policies induce innovation and dedication since they help to strike a balance between professional and personal lives.

When discussing the work-life policies, one of the respondents stated that as a mother she faced a lot of restrictions from her management. She stated that “*they thought that the*

*commitment to work and time that I can spend at work, compared to a man is very much limited, because of my other personal responsibilities, especially as a mother of a small child, so they didn't even ask whether I can go branch visits or anything. They assigned me in-house training and compared to the same level executive trainer who was a male trainer, I was paid less yes (R1).*" This not only explains that "being a woman" doesn't just deprive them of taking certain responsibilities but also gets penalized when they get paid.

On the contrary, respondent 2 stated that when she was going through a hard time with pregnancy, her "male" boss was understanding and let her work from off and take time off. She mentions that *"they gave me that extra time I needed to ensure that my things were taken care of, and that doesn't mean that every woman go through my situation, it's just my timing was right and people around me was right"*. Even if she hasn't faced such a situation in her career, she agrees that in the majority of organisations, flexibility is less and frowned upon and managers could be hesitant to give additional responsibilities.

Adding to the same experience, respondent 3, incorporated a similar experience with her current organization evidencing that certain organizations could be very accommodative about having a good work and life balance, as she states that *"my current organization has let me to fix my work schedules around my daughter's, school hours. So, it ensures that I can attend to my daughter and also do my work, however, in my lecturing career I have come across many instances that managers were not flexible around me when classes were scheduled. So there, I had to go through a lot of hassle in order to make any amendments, and if I don't work, I don't get paid!"* It was most respondents' view that this flexibility of the work-life policies for women would depend on the industry and the superior that they are reporting to. Respondent 3 also stated that since she had to take leave to manage her children's work, she was continuously told to mark them as no pay leave or half days. As women, they bear both productive and reproductive roles and hence certain level of flexibility around the policies is appreciated and expected.

Respondent 4 and Respondent 5 had different experiences regarding organisational culture. Respondent 4 said, *"Since my company has a scientific way of compensating, remunerating and positioning our talents... job description is evaluated, and it gets a particular score. This score will determine your work level in the organisation."* Respondent 5 stated that since she works for a government organization, all the wages were based on the grade and pay band, rather than the gender. Both R4 and R5, had the view that gender didn't play a significant role in deciding wages within their organizations.

#### **4.1.2 Opportunities for Training and Development**

Discussing how gender impacted being chosen for training and development, some stated that being female, they were deprived of doing certain tasks and hence were denied training. However, respondent 2 and 3 expressed their views that their organizations training, and development was purely based on "meritocracy": *"Everyone was looked at equally and you know everyone went through the same training, everyone had to submit assignments everyone had to graduate from that training program and was looked at significantly in terms of very pure merit"* (R2). However, R4 and R5 mentioned that within their organizations, they always experienced gender neutrality when it comes to development training and it was most of the time based on the grade of the job. But both agreed development initiatives are necessary for the personal development and also for the betterment of the organization in the long run. Training and development initiatives are crucial when it comes to career progression because it embeds certain knowledge and skills that are required to perform that job, and also, it affects your pay.

#### 4.1.3 Pay Confidentiality

Reverting to the “pay” it was essential to realize the policies regarding the pay determination and it was crucial to understand if it signalled any gender bias. It was understood that in certain careers this confidentiality of the pay was much lesser than others. For example, 3<sup>rd</sup> respondent stated that when she was a lecturer, they used to get a clear breakdown as to how much they would get paid as a lecturer and that it was determined according to the highest qualification a person. She stated, *“if you are a PhD holder then the rate would be this, if you are a PhD student then it will be slightly lower, likewise”*. In this scenario, it was evident that the pay was not gender bias and it was much more transparent in certain careers. Furthermore, respondent 2 and 3 disagree with the fact that the pay should be transparent, but they agree that it should not be gender bias. Respondent 2 states that in the development sector, a clear breakdown as to how your pay is calculated cannot be depicted as there could be other factors affecting it. She says, *“Organizations have their way of evaluating and quantitatively assessing someone's experience, knowledge, competencies and skills and individuals might not really get it, and being transparent might create issues”*. Another respondent's view also fell in line with respondent 2, where she says that when they are in the *“other side of the table”* meaning the employee, we might be eager to know what others are paid but, when you are in the senior management she knows that there are clear differences between employees, and some have a very steeper progression curve hence they should be given more merit in order to keep them encouraged to reach higher levels.

However, she states that *“even if the pay is not transparent that doesn't mean it's because we pay males more than females or otherwise, it's very subjective and performance-oriented”*. Another aspect was noted here; during an external recruitment for a certain position, the person who is coming from outside could have more experience and a lot of exposure and experience, hence during those situations sometimes that person might be offered a higher package compared to a person who is already existing in an equal position of the organization. This could be seen as a disparity but as explained there are reasons for it. Respondents' view was that *“If this happens despite of gender, then it shouldn't be a concern”*. Respondent 4 had the view that making the wages transparent could be an issue for the organization, but that is not due to the gender gap, but based on the experience level. According to R4 *“when we give a person a particular role and it's given for the first time, they put them on an 80% of their pay back.... And as the person progresses, we can take the person from 80% to 120%”*. Respondent 5 had the view that even if the pay was transparent, it would have been an issue for the organisation, as it was not based on gender.

#### 4.1.4 Career Progression and Promotions

Next, career progression and promotions were discussed as they directly impact the salary employees earn. Respondent 2 states that in the organization she works, promotions are based on the degree to which the employees can “tick the boxes” that qualify them for the next stage. She states *“In the kind of industry we are in, which investment research, it is about the work that we do. There is very little subjectivity, so it's very easy to also kind of standardize that process of how you go up the ladder. You know it's all sort of set, it doesn't matter what sex you are. What you need to do to get to the next stage: all of that is kind of scientifically structured, so if you follow that and if you showcase that, you will be getting a promotion”*. She also stated that she was promoted to be the vice president of the organization at very young age and her sex or age didn't matter for her to reach that destination, but just the *“hard work and good track record mattered”*. Respondent 1 had a very different experience with her progression. She confirms that by saying *“I'm presently experiencing that because in my organization it's a male dominant company. We have about 5 or 6 ex Co members, all males.*

*And though I'm in a senior management position they are not elevating my position to a higher level probably because they think ladies don't have that capability or the competency to hold that conversation at the ex-co level. So, I think that is purely gender discrimination and it affects not only my progression but also my pay".* Respondent 3 provided a different view to this point. She agrees that there can be gender discrimination in the form of gender "preference" for a certain job type. She adds that in certain development sector organizations for some designations they "prefer" a particular sex over the other and that signals discrimination. She states *"preferring a woman or preferring a man, the preference itself can end up being discrimination. It's a bias. So, they may quite politely say that we would prefer to have a man, for what reasons, can be questioned. Technically, if the qualifications and experience and competence and all that are the same, it is unfair to prefer a man. Yes, so I think it's that I have seen in these organizations that need to be changed"*. Her view of gender preference can be linked to the concept of sex segregation which itself suggests discrimination and will be discussed momentarily under gender representation.

However, R4 believed she was not blocked from promotions due to the gender but more of inside rivalry and that was from the same gender rather than opposite gender. The R5 responded stating, inside her organisation, since promotions and career progression is based on exams, gender had no power over it. However, on the other hand, a woman dealing with a household might find it harder to complete the said exams compared to a male who doesn't have to bear the same kind of responsibilities, hence, there can be somewhat indirect effects on the career progression of women.

#### **4.2 Gender Representation**

The next factor evaluated was gender representation. As discussed through the literature it was evident that representation of women could be very less in certain contexts and that could be a result of the gender wage gap. Dimensions such as male dominance in the top management, sex segregation, sticky floors and glass ceilings, sex similarity, and women lacking negotiation skills were seen as aspects contributing to the inequality thus leading to concerns regarding gender representation.

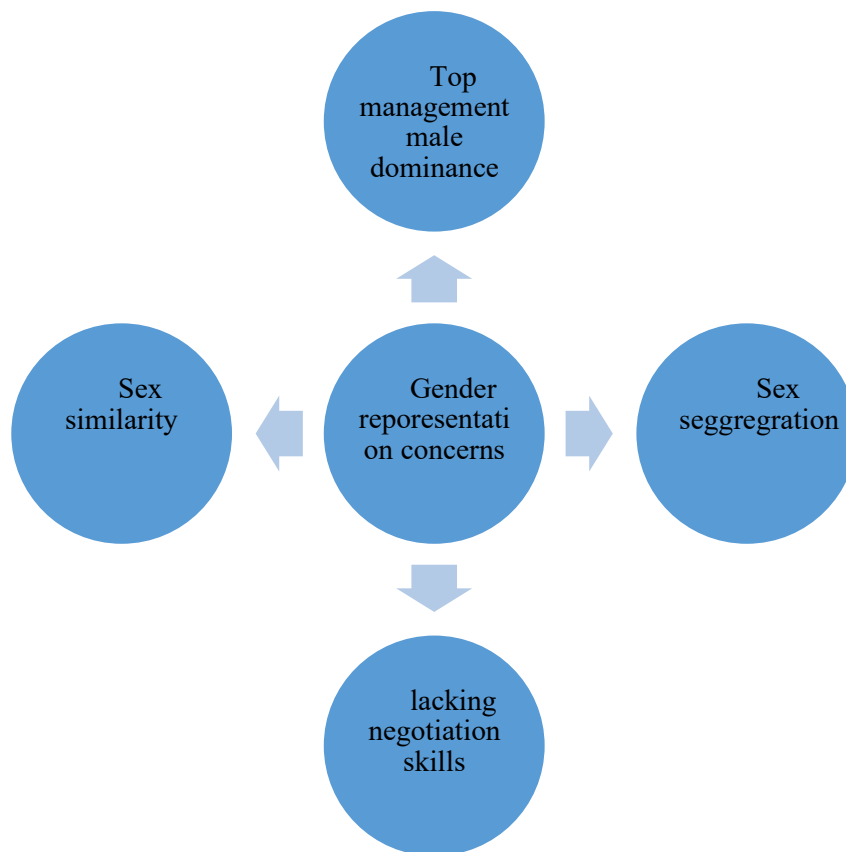


Figure 2. Dimensions of gender representation  
Source: Drawn by the author

#### 4.2.1 Negotiation Skills of Women

It has been analyzed in the literature that most women are biologically introverted compared to men and tend to accept conditions without detailed questioning. However, in the present society, we see that this is changing and it's merely a stereotype. Having said that, in the gender pay gap literature, it was seen as one of the factors that can negatively impact women with regards to their pay. It was necessary to analyze this "common perception" that women are not as forward as men or are not in the frontline when it comes to negotiating. It could be in terms and conditions of the contract or package and working conditions. Comparatively, men are sort of more demanding. Hence being a woman or just because you are a female employee sometimes could affect their pay or decision-making. Respondent 2 agrees with this perception of women, as she believes most women consider "asking for certain things" as rude or that will lead to losing better opportunities in the future. She states that "*women need to have more direct conversations with their bosses and clarify things when making decisions they should be proactive and ask, what should I do to get to this designation or why is my basic salary this amount? What are the other perks I will get, if you don't ask you will never know.*" Majority of the respondent had the same view. One stated that women feel "shy" to discuss certain matters especially when their bosses are males and it can impact their opportunities. Another view to it was that women tend to make "assumptions" and when it's not the reality they tend to be disappointed. One respondent added "*it's the candidate's right to ask all the questions during an interview*". She furthermore stated that women are possessive in their nature hence "*they fear to negotiate assuming that they will lose what they already have. As Stephen Covey says what you create in your mind will be the foundation for your physical creation, right? So if you believe you will lose something, you will face the*

*discussion expecting that hence tends to avoid negotiating important things that you should have".* It was evident that due to this factor majority of the women would face inequality and unfairness hence will be one aspect that will affect the pay gap.

The R4 mentioned her personal experience where she asked for a certain salary but even when she didn't get it, she still agreed to the employer's terms because she lacked the skills for better negotiations at the time. R5 said she felt comfortable working for a government organisation because usually she doesn't have to negotiate any wages or responsibilities due to the already existing regulations, which shows that she also doesn't feel comfortable with negotiating terms at work.

#### **4.2.2 Male Dominance**

Male dominance in organizations is still apparent, mostly in Asian countries. This could be with the fact that we have a paternalistic culture and we look up to them for majority of the things. Having said that, it could be seen in the current society things are changing with women empowerment but still a significant male domination can be seen in many situations. Hence, it was imperative to analyze whether having a male dominant top management would lead to this inequality to women. Respondent 1 states that *"in my company, recruitment has been male dominant since the inception, it's a century old company. I know for a fact that they give the priority for males, because they think male can work really hard, commit and you know and they always say that's their success."* She also points out that some areas like HR, the manager is also a male, where a female would have been much suitable, but due to the perceptions it stays male dominant.

Aforementioned, respondent 2 has a similar idea. She states that diversity in leadership is crucial, and it's proven through ample research to foster growth in an organization. She continues to say *"I think it is very difficult to foster that culture unless the men are flag bearers of equality and that's where the problem lies. Since I am the only female director in my company I understand that. As a director, sometimes it's not easy to convince others of a decision; it could be because I am the only female"*. Passive aggressiveness of males was highlighted by respondent 2 where she revealed that *"I have experienced this inequality in past organizations when there are men in top position, and it hinders the performance of a woman. Personally, what I have experienced is passive aggressiveness, where they don't become aggressive out front. You know they're not outright aggressive. Eventually, they try to take you out of the picture. So, it's a very sensitive game you got to play when it's male dominant."* All in all, it can be seen that this is one aspect that discourages women's empowerment and thus leads to inequality for women not just in pay but also in participation.

Respondent 4 answered that she hasn't experienced anything personally due to male dominant top management but she agreed that there is a possibility that complete male dominant top management would not understand certain struggles of a woman's life, hence, it could result in some disadvantage. The R5, however, had an opinion that being a woman stops from doing or handling certain responsibilities at work.

#### **4.2.3 Sex Segregation**

Sex segregation has been discussed in the literature to be one of the key dimensions that leads to inequality. The stereotypical view that a particular gender is preferred for a certain job has restricted both men and women from occupying certain jobs. It was essential to analyze whether such segregation exists and if so, how it impacts women, and they pay they get. It was all of the respondents' view that such exists, and it impacts women's progression. Respondent 1 states that *"even in my organization there are positions that they say they never recruit women, if at all they do, then it would be a paradigm shift, but they never give a*

*chance to women. That's very unfair."* On a similar note, respondent 3 states that she has faced such scenarios in her life and she has fought for women's justice. She reveals that in one of her coconut states she visited, women has been paid lesser than men for the same job and the justification was *"woman can't do as much work as a man. Let's say woman does husk pits in 5 coconut trees then a man would be able to do about 7 a day. It was surprising and I wasn't ready to buy that justification, then in that case, we have to pay them by the work they do, not by their sex. Labelling a price for sex is just unfair and demotivates women and gives a comfort zone for men."* On the other hand, respondent 3 states that it is a "given fact" that if it's a *"fire fighter it's a man and if it's a nurse it's a woman, and if it's a consultant it's a man, that is 100% discrimination. Women can have the skill set and the strength to be a firefighter. They need to be encouraged and given the opportunity"*. It's evident that women lose a lot of opportunities due to this stereotypical segregation that mostly exists in the Asian countries and hence leads to a wage gap across genders. She continues to state that being a vice president in her recruitment process *"it really boils down to an amalgamation of all of that feedback and definitely gender has not been a factor."* It's a great relief that in the present society, women are reaching empowerment and trying to give other women opportunities.

However, R5 had a different response as she believed the sex segregation exists and it can be justifiable to a certain extent such as there are certain jobs that a woman would be the best candidate for, therefore, even she wouldn't hire a woman for those kinds of jobs. She mentioned, *"for example, late night working, so I can't let a woman work late knowing that she's a woman"* But she agreed a woman should not get paid less compared to a man, if they are doing the same job.

#### 4.2.4 Sex Similarity

It was discussed that when there is male dominance, that can lead to inequality for women unless the men are "torch bearers" of equality. However, it was interesting to analyze if your superior was a woman, how the situation would change. Whether women bosses would still assist your growth, or would they be threatened by your learning curve and hence women lose their opportunities. Respondent 2 states that *"I have not felt the difference between either gender, again, as I mentioned may be my timing was right and my organization groomed good leaders irrespective of the gender, however this is a well-discussed point. In forums that I have participated I have heard employees stating that when it's a woman, she could be more understanding of your responsibilities and circumstances because once she was also in your position. But I don't think I completely agree with this. There could be women who restrict other women's progression."*

Having stated that, respondent 1 expresses disagreement stating *"I have hardly seen women supporting women in cooperates. So, in my career also I have worked with few senior female bosses. And I would say maybe working with male bosses is easier than working with female bosses."* However, she reveals a noteworthy point here stating that *"If a woman goes up in the hierarchy, and if she proves herself, then there will always be more opportunities for women."* This explains that when women are given an opportunity, and if they get through it, irrespective of which gender their superior is, that will be an eye opener for organizations and females will be vested with more opportunities thus reducing inequality.

Respondent 2 furthermore sheds light on the aspect that being a "younger female boss" there were many instances that she was discriminated, and especially male subordinates were hesitant to abide by her instructions. She states *"always we discuss discrimination one way, but in reality, it happens from bottom to top as well. If a female manager is assertive, they categorize as bossy, hard to work, strict but if it was male boss, it would be dominating"*

*leadership qualities or being work focused. Well, that's discrimination outright."* This paves the way to state some interesting future research.

Respondent 4, mentioned that she believes, it has a lot to do with the person, rather than the gender. She further mentioned as *"I've had female bosses who have been horrid and I've had male bosses who have been great. Then I've also had male bosses who've been complete, like, Ignorant idiots and female bosses who really understood my circumstances. So I've had both"*.

Respondent 5, though she has never experienced anything similar, believed sometimes women are not open for competition and not open like men so it might be harder to climb the corporate ladder under same sex management.

### 4.3 Barriers to Career Enhancement

Under the above topics, certain aspects that could be regarded as barriers to progression were discussed. However, in this section direct questions were asked to understand their perception of being a female and what specific factors impacted their progression to date.

The majority of the respondents identified women having to run both productive and reproductive roles as one of the main barriers. And also, lack of trust people vest upon them questioning their credibility, lack of powerful networks, cultural barriers, sexist comments, lack of role models, and unequal access to resources were among the other aspects discussed. Having stated these barriers respondent 1 had a different view, as she states *"I think the barriers are within us, not always outside, so as women we restrict ourselves. We label ourselves framing women to those 100 years old cultural framework, for example, when you are married, you want to settle down and say that you can't work longer hours like usual. You limit yourself to certain regulations. My answer to that is as women, we have put barriers for us. Because there are more than enough opportunities out there."* It was surprising but listening to her story it was convincingly true. She states that after she became a mother, she was motivated to work more because she didn't want her son to look up to a mother, who stayed at home and depended on his father. She reasons *"because one day my son will grow up to expecting his sister or his wife to be dependent upon him."* On contrary to her idea, respondent 2 states, *"After I got my daughter, it took me a little bit of time to get used to my work schedule and I felt that my bosses were not very cooperative. Without reasoning or discussion, some of my classes were taken away from my schedule. I was not ready to give up, and that instance I actually needed that money. However, I felt that they saw my child as an additional responsibility, and they cut me off. And I lost my earnings."* Additionally respondent 3 mentioned that when she first started, she was paid less compared to the same level male executive trainer as they thought that males can do more; she stated that *"it was just absurd to me, and I fought for justifications, because they were just undermining my competencies."*

Not having access to adequate social and organizational networking was highlighted to be one of the barriers. All of the respondents agreed that not being part of a good network can impact them negatively. Respondent 1 states, *"after a certain level of designation, it's all about good references and recommendations, and for that you need a good network"*. Having a similar view, respondent 2 explains that not just formal networks but also informal networks are also very important. She continued to say *"you'll be very lucky if your friend also has similar ambitions and wants to get to the top. That is healthy competition. So you also can continuously learn. So I think that networking in an informal setting is very important."* However, it was revealed that apart from being deprived of social networks, the majority of the women are a little lazy to go out and get social. Respondent 3 confirms that

*“during the early part of the career I didn't participate in anything outside of the company. So you know, as time went past and I became a part of the top management, I started being a part of these groups last couple of years, and that's when I realized what a big difference they make. Not a lot of women seek these opportunities and the majority of them don't have the chance to do so too”.*

Sexist comments and unethical sexual attempts are very frequent when it comes to bosses and women. As the literature evidence women are frowned upon in performing many tasks. This was a common perception among the respondents even most of them haven't faced it. One respondent stated that her male boss was giving her a “sexist vibe” when she had to get things done. Most of women become very gullible and threatened when this issue is raised, and they are shy and scared to make complaints about their managers' sexist behaviour. This leads to women leaving organizations and thus losing opportunities and sources of income. Another aspect was inadequate access to resources. When women do not have help from their family to engage in a job of their preference it becomes a barrier to their progression. On the other hand, as Sri Lankans, we are bound by a cultural framework that decides which careers women can engage in and not. Adding to this point, respondent 2 states that *“in Sri Lanka, if you say you are an airhostess, people revert to you as a prostitute, not a lot of parents let their daughters seek that career, and people do not see the effort an air hostess put in to give us a safe and a comfortable flight, that is the cultural issue right there.”*

Respondent 4, had the opinion, a woman's personal life can act as a barrier for career enhancement, *“I think you know the common barrier is like, if I go high up in the ladder, will I miss out on fulfilling my responsibilities as a wife or you know as a daughter?”* Respondent 5 had a similar opinion as, even though she was lucky to have an understanding husband and a family to take care of her kids, without that kind of support a woman would find it hard to progress in the career.

#### **4.4 Labour Market Dynamisms**

Urbanization is said to be one of the key factors that affect economic development. And as the economies develop, OECD proves that the gender wage gap converges. On the contrary, the literature states that globalization increased the marginalization of women. Hence, next aspect discussed is whether or not dimensions such as urbanization and technological advancement have impacted the lessening of the gender pay gap. Respondents' perception was sought here. It was the majority's view that both urbanization and technological advancements have helped women to reach better opportunities but on contrary, they can be emotionally negatively affected. One respondent state that *“one salary is not enough to maintain the families nowadays and hence women may also try to find jobs, so they have moved to urbanized areas sometimes leaving their kids in villages. Now this might help them financially but what about their children's mentality away from their mothers?”* Respondent 2 believes that women are now empowered due to urbanization. They have better access to resources compared to previous generations. Having said that she also states that when these women seeking extra money go into garments for work *“these women have to work more than 10-15 hours to earn a considerable amount of money. So there is no work-life balance, impacting family life. And sometimes they prefer to stay at a boarding place and go home on the weekend. I think it has made their life more complicated in a way.”* Being in line with the same argument, respondent 3 stated that *“urbanization and technological advancements are good, as long as it helps the women to maintain the productive role as well as the reproductive role. That means the working woman's role and also the mother's role.”*

According to Respondent 4, as a woman, she either has to prioritise work life or family life, and the said prioritisation is up to each woman based on what they want to achieve. Respondent 5, says, women have taken the responsibility and leadership of upbringing the family in nowadays Sri Lanka either by choice or circumstances.

The last aspect to discuss was unionization. In literature, this is one aspect that has helped women to gain their rights and also in equal pay. Unfortunately, none of the respondents have been a part of a union in their lives however they believe that it could be a support system for marginalized women. If they are facing struggles. This could be less applicable to higher levels but for certain jobs at lower levels.

The extent to which urbanization and industrialization affect the determination of equality in wages can be backed by the Kuznets theory (1955) where he identifies that the shift of the population from a subservient and agricultural sector to a more modern sector is important and underlines the inverted U relationship between the development and inequality. Aforesaid, it can be seen Sri Lanka still has the majority of its labor force in the services sector and should march more towards industrialization. Countries like China, Taiwan and Korea, accelerated their growth through industrialization which has led to a reduction in the poverty lines. This has also affected minimizing earnings inequality (Kiniivila, 2007).

## **5. Discussion**

This research has sought to explore the organizational and labor market factors that contribute to the gender wage gap, with a particular focus on the experiences of female top managers in Sri Lanka. The findings reveal significant insights into how organizational culture, gender representation, work-life balance, and sex segregation contribute to gender-based wage inequality. These findings are consistent with existing literature while also offering new perspectives on the challenges faced by women in the Sri Lankan context.

### **Work-Life Policies and Career Progression**

One of the most prominent themes emerging from the findings is the role of work-life policies in shaping women's career progression and wage disparity. The participants consistently highlighted the challenges of balancing work and family responsibilities, with many indicating that organizational policies were not always accommodating. These findings align with those of Van der Lippe and Van Dijk (2002), who argue that while flexible organizational policies can increase female employment, they do not necessarily diminish the gender wage gap. Respondent 1's experience of being restricted from certain responsibilities due to her caregiving duties, as well as the general lack of flexibility in many organizations, reflects the systemic barriers that continue to impact women's earning potential. Moreover, the finding that some organizations offer more flexibility, such as R3's experience with work schedules adjusted to accommodate her child's school hours, suggests that work-life policies can indeed support female employees when they are properly implemented. However, as noted by Hultin and Szulkin (2003), the application of such policies is inconsistent across organizations, and the benefits of these policies are often limited, especially for women in senior management positions.

### **Gender Representation in Senior Roles**

Another critical theme from the findings is the issue of gender representation, particularly in top management roles. Respondent 1's experience of being denied opportunities for advancement despite holding a senior management position illustrates how male-dominated leadership structures can perpetuate gender inequality. This mirrors findings from the

literature that limited access to decision-making roles and a lack of gender diversity at senior levels are significant contributors to the gender wage gap. While some participants, such as R2, reported working in organizations where gender did not impact career progression, the overall trend across the data points to a persistent gender imbalance in leadership positions, which affects the wages and career prospects of women. Respondent 1's experience of being excluded from certain leadership opportunities simply because of her gender reflects the "glass ceiling" effect, where women are systematically prevented from reaching the highest levels of leadership and decision-making.

### **Negotiation and Gender Bias**

A recurring finding in this study was the difficulty women face in negotiating salaries and career advancement opportunities. This finding is in line with existing literature, which suggests that women are less likely to negotiate their salaries compared to men, often due to a combination of social conditioning and perceived gender roles. Respondent 2's reflection that women often avoid negotiating for fear of being seen as "demanding" or "bossy" resonates with the literature on negotiation barriers, such as those discussed by Van der Lippe et al. (2019). Furthermore, the experiences shared by participants regarding their discomfort with negotiating pay highlight the broader cultural norms that shape gendered behaviors in the workplace. Interestingly, while some participants, such as R3, felt comfortable negotiating their pay, others, such as R4, indicated that the lack of pay transparency in some organizations could exacerbate gender inequalities. This reflects the complexities of the issue, where factors like organizational culture, gender norms, and personal confidence interact to create barriers for women in the negotiation process. As Hultin and Szulkin (2003) suggest, women's limited access to organizational power and the failure to promote gender equity in negotiations can reinforce wage inequality.

### **Sex Segregation and Stereotypes**

Sex segregation in the labor market emerged as another significant factor contributing to the gender wage gap. Participants in this study frequently discussed how certain jobs or roles were considered more suitable for men, with women often being excluded from higher-paying or more prestigious positions. This is consistent with the findings of Chevalier (2007) and Ranaraja et al. (2016), who suggest that occupational sex segregation is a key factor behind the gender wage gap. For example, Respondent 3's account of being excluded from physically demanding roles, such as working in coconut plantations, due to gendered assumptions about women's physical abilities, reflects the deep-seated societal beliefs that continue to influence labor market outcomes. The concept of "sticky floors" and "glass ceilings" discussed by Carrillo et al. (2014) was evident in the findings, with women in lower-paying jobs being unable to access opportunities for career advancement due to both formal and informal barriers. This is particularly noticeable in sectors where male dominance prevails, as seen in the experiences of R1, who felt that male-dominated management teams were less likely to promote women, regardless of their qualifications.

### **Urbanization and Technological Advancements**

The impact of urbanization and technological advancements on the gender wage gap was another important finding. While respondents generally agreed that urbanization and the adoption of technology had opened up new opportunities for women, they also pointed out that these changes often came with their own set of challenges. For instance, R2 noted that while urbanization provided women with better access to resources, it also created pressures on their family life, particularly when women had to move away from their families to pursue

work opportunities in urban areas. This reflects the broader implications of urbanization on women's work-life balance, as discussed by Tacoli (2013). The finding that technological advancements have empowered women, particularly in access to information and networking, aligns with the work in literature that highlight the potential of technology to bridge gaps in gendered labor market access. However, as the experiences of R3 and R4 illustrate, the ability to leverage these opportunities often depends on the support systems available to women, particularly in terms of family responsibilities and access to networks.

## **6. Limitations of the Study**

This study has several limitations that should be acknowledged. First, the small sample size of five participants limits the generalizability of the findings. While the in-depth nature of qualitative research allows for rich insights into individual experiences, future research could expand the sample size to include more diverse perspectives across different sectors. Additionally, the study focuses exclusively on women in top management roles, which may not fully capture the experiences of women in lower-level positions or in different industries where the gender wage gap may be more pronounced.

## **7. Conclusion**

It is evident that social feminists are succeeding in unearthing the explorative nature of integrated markets even if these gender stereotypes and market forces increase women's burden and low wages. It was also established that multinational companies prefer to recruit single women and married women for different ulterior motives. Some of them being fewer responsibilities and others being the helplessness of women after being burdened with a family hence agreeing to work for lower wages than their male counterparts. Despite those facts discussed and the reasoning behind the wage gap, females are certainly facing this global issue. Having so much research conducted on the gender wage gap and women's unfair placements in the labour market, this grave issue still exists. Several key aspects relating to both the employed organization and labour market aspects that impacted the gender-based wage gap was identified. Key dimensions highlighted were inflexible work policies, lack of opportunities for women, promotions and progression stagnancy, lack of gender representation, negotiation incapability, male dominance, sex segregation, and sex similarity, and lack of technological education and networking to be affecting the gender wage gap.

The findings of this study have important implications for both policy and practice. To address the gender wage gap, organizations must implement more inclusive work-life policies that support women's career progression without penalizing them for their caregiving responsibilities. Additionally, organizations should prioritize gender diversity in leadership roles, as this has been shown to positively impact organizational performance and reduce wage disparity. Furthermore, policies that promote transparency in pay and career advancement processes can help mitigate the effects of gender bias in negotiations and promotions. At the broader policy level, the government could play a more active role in promoting gender equality in the labor market, particularly by implementing stricter regulations on gender-based pay disparities and promoting women's access to technology and education. Additionally, initiatives aimed at addressing occupational sex segregation, such as encouraging women to pursue careers in traditionally male-dominated fields, could help reduce the gender wage gap.

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