Archives of Business Research – Vol. 12, No. 1
Publication Date: January 25, 2024
DOI:10.14738/abr.121.16312.
Peprah, P., & Peprah, W. K. (2024). Gender Difference on Internal Equity: Evidence from the Hospitality Industry in Ghana. Archives of Business Research, 12(1). 71-77.

Gender Difference on Internal Equity: Evidence from the Hospitality Industry in Ghana

Patricia Peprah
Adventist University of the Philippines,
Putting Kahoy, Silang, Cavite

Williams Kwasi Peprah
Andrews University, USA, School of Business Administration,
Department of Accounting, Economics and Finance

ABSTRACT

It is a hypothetical position that employees in the hospitality industry in Ghana experience salary disparities based on the gender of the employee. Pay disparities exist because of unconscious biases in areas such as hiring, promotions, performance reviews, and salary decisions. In ensuring equal pay for equal work to fulfill the International Labor Organization (ILO) convention, this study investigated the internal equity pay of the employees in Ghana's hospitality industry based on equal work. This quantitative association study adopted a self-constructed research instrument to measure internal equity pay and randomly selected 350 respondents in the hospitality industry in Ghana to answer the research questionnaires. The respondents were made up of 160(46%) males and 190(54%) females. In looking for the significant difference of gender as related to internal equity pay of the employees in Ghana with a T'Test analysis, the study revealed that, indeed, there was a significant difference in the salary payment of the employees in Ghana. The males were paid more than the females for equal work. Therefore, the study rejected the null hypothesis that there is no significant difference in internal equity pay based on the gender of the employees in the hospitality industry in Ghana. To ensure equal pay for equal work, the management and shareholders of hospitality firms in Ghana are recommended to seek knowledge of the legal requirement of this principle in the Ghana Labor Law and also become compliant with the ILO convention. Furthermore, a conscious effort must be made to ensure equal pay for equal jobs.

Keywords: Gender, Equal Work for Equal Pay, Internal Equity

INTRODUCTION

Companies design their internal equity to attract and maintain the right employees. Many employees also derive prestige from being paid a salary (Okafor & Iriobe,2016), especially when the correct amount is paid for the equal work done; this, in turn, improves trust and productivity in the workplace. Equal pay for equal work is the cornerstone of gender pay equity (Vettori, 2019), which means that both men and women should be paid the same for doing the same level of work. In almost every company, pay disparities exist because of unconscious biases in areas such as hiring, promotions, performance reviews, and salary decisions (van Esch

et al., 2018). When there is a perception of unfairness in internal equity, it affects employees' morale and workouts, which has a ripple effect on the organization's performance.

According to the World Bank's Report on Women, Business, and the Law 2022, 95 countries do not guarantee equal pay for equal work. The perception is that the hospitality industry, which is the third most exported service, contributing 7% to the world economy in 2019 (UNTO Report), has a high incidence of internal equity challenges. The United States Equal Pay Act of 1963 mandates that employers treat their employees fairly and equally. The law made it illegal for employers to pay men and women differently for the same or comparable work. The law also applies to monetary benefits beyond wages, such as bonuses. In Ghana, Tourism contributed 6% of the country's total employment in 2019 (Sasu, 2022), and according to the 2020 Tourism Human Resource report generated by the Ghana Tourism Authority (2021), 51% of the total human resources of the hospitality sector are males whiles 49% are female. It is, however, difficult to get statistics on the gender difference in internal equity in the hospitality industry in Ghana, even though the perception is that women receive less remuneration than their male counterparts for the same level of work. The findings of this study will fill a knowledge gap on the gender difference in internal equity in the hospitality industry. This study is significant to both employers and their employees.

The study research objective, research question and Null hypothesis are;

- **Objective:** To determine the gender difference on internal equity and direct the discourse with emphasis on equal pay for equal work.
- **Research question:** Is there a significant difference of gender on Internal Equity?
- **Null Hypothesis:** There is no significant difference of gender on Internal Equity.

Equity within an organization is summed up by pay parity (Boniol et al. 2019; Freund et al 2016). Employees in comparable positions or with comparable skill sets should receive comparable pay under internal pay equity policies. Equal pay can take the form of a higher base salary or other perks associated with the job. Cathy Burgess (2000) surveyed 732 members of the British Association of Hospitality Accountants (BAHA), a professional body of Financial Management professionals. The results show that there were variations in the salary levels; the male financial manager was paid more than their female counterparts performing the same role. Women in the hospitality industry face a substantial wage gap that cannot be explained by differences in education, hours worked, or the number of available jobs. Despite accounting for a large portion of the income gap, economic explanations based on the skills and motivation of job market entrants failed to provide a satisfactory account of the gender pay gap in the hospitality industry. Occupational crowding affected earnings, but gender still had some residual effects on financial success.

There is the possibility that the hospitality industry is home to more subtle forms of sex discrimination. According to the literature, even when women strive to catch up to men in terms of education and dedication, they are still paid less than men. There has been progress toward parity in the hospitality industry in the form of increased access to management positions, but women's pay remains below that of men. This could also be attributed to the fact that men have traditionally held managerial positions longer than women. (Casado-Díaz et al. 2022; Fleming 2015; Campos-Soria et al. 2009).

Reviewing the role of gender in the success of a hotel's performance and whether there is a correlation between female managers and a firm's profitability, a company's performance seems to be heavily influenced by the gender of its executives (Noland et al., 2016), along with other factors. There is a variation in expansion and profitability based on the gender of the one managing (Watson et al., 2003). A regression model controlling demographic and financial factors shows that hotels managed by women perform better than those managed by men. (Price & Reuschke 2019; Marco 2012).

Iverson (2000) compared the salary expectations of male and female hospitality major students at the start of their careers and their expectations when they get to the peak. A total of 116 students were selected based on convenience sampling, gender differences, the attitude of supervisors, and fairness from managers, which were the predictive factors that showed women expected less pay than their male counterparts when starting a job in the hospitality industry. The most consistent predictor of long-term success in a given field was the individual's salary expectations about those of their peers or the industry norm. (Baginski et al 2018).

Compared to other occupations, women's labour force participation has increased quantitatively and qualitatively (Ribes-Giner et al., 2018; Alon et al., 2020) in the hospitality industry, but they still face many obstacles due to bias in the workplace. This calls for an examination of workplace internal equity from a gender perspective. A study was conducted by Campos-Soria et al. (2011) on the extent to which gender contributes to the wage gap between men and women in the hospitality industry, using data from 181 hotels and 121 restaurants in Andalusia in Spain, the study shows that the wage gap widens as a result of occupational and, to a lesser extent, spatial segregation. However, horizontal and category segregation reduces this, with the latter having a smaller but still noticeable effect. Women hold most of the lowest-paying jobs, and their wages are lower than men performing the same task.

It is common knowledge that in the hospitality industry, there is pay inequality between men and women (Blau & Kahn, 2020). Some studies have shown that men and women managers approach strategy implementation differently and provide additional evidence that men are disproportionately represented in managerial positions because of their superior earnings potential. (Gipson et al. 2017). One possible cause of this gender pay gap is that women are more likely than men to take career breaks to focus on family responsibilities like marriage and childcare (Hunt, 2016; Barreto et al., 2017). Differences in pay and access to management positions in the hospitality industry may have causes other than gender difference issues (Haile et al., 2016). These differences may be the result of other factors interacting with gender. Gender-related studies show that women earn less than men in the tourism industry overall and in the hospitality industry specifically (Koc, 2020; Morgan & Pritchard, 2019). Women in the hospitality industry appear to be at a disadvantage than other women in the rest of the economy, even though their productivity may be comparable to that of men. The pay gap between men and women is partially due to gender differences and partly due to discrimination based on gender (Blau & Kahn, 2020; Kabeer, 2021).

Furthermore, some studies show a high rate of horizontal and vertical bias against women in the tourism industry, which has led to a concentration of women in the lowest wage brackets

URL: http://doi.org/10.14738/abr.121.16312

(Rinaldi & Salerno, 2020; Segovia-Pérez et al., 2019). Although differences in skills and experience may account for the wage differences in the hospitality sector, there are still discrepancies throughout the wage distribution based on gender. It is also the case that lower wages in the hospitality industry are due in part to the lower educational levels of their workers and the low level of skills required (Casado-Díaz & Simón, 2016). This study uses Eagly and Wood (1999) sociocultural theory, also called social structural theory or social role theory. According to this theory, a society's division of labour by gender drives all other gender differences in behaviour.

J. Stacy Adams's (1960) theory of equity supports this inkling by asking whether or not each party in the business relationship is being treated fairly when it comes to the sharing of resources. We look at how much effort each person puts in relative to what they receive in return. The theory says that workers are constantly striving to ensure that their contributions to a job are being fairly compensated.

RESEARCH PARADIGM



METHODOLOGY

A Correlational research design was used for this study to determine the extent to which gender difference impact internal equity in the Ghanaian hospitality industry. The study population of 7,347 employees of 3–5-star hotels is based on data from the 2020 Ghana Tourism Authority's National Data on Tourism Human Resource. At a 95% confidence level, the researcher used a Raosoft sample size calculator to arrive at a sample size of 366; however, the questionnaire retrieval from the respondents was 350 (95.62%), of which 160 (46%) were males and 190 (54%) were female. The researcher used a convenient sample technique and an online distributed survey to collect the data from employees of 3 to 5-star hotels in Ghana. The research questionnaire items were self-constructed. An ethical review was conducted as this study is human-subject research for anonymity and confidentiality.

RESULTS AND DISCUSSIONS

The analysis was an independent-sample t-test to compare the internal equity score on the respondents' gender, as reported in Table and based on the Levene's Test for Equality of Variances p-value of .651, indicating that the study uses Equal variances assumed. The finding was that there is a significant difference in the scores of the sex t (348) =. -3.632, p = .000, two-tailed, as shown in Table2. The magnitude of the mean score was very small, with Effect size squared (Eta) 0.037 at a 95% confidence interval.

Table1 shows that males (M = 0.1630, SD = 1.0245) have higher salary payments than females (M = -0.2445, SD = 0.9261). It implies that males tend to have a higher internal equity score

than females, hence the internal equity problem in Ghana's hospitality industry. Therefore, the study rejects the null hypothesis that there is no significant difference in internal equity when considering the employees' gender in the hospitality industry.

Table 1: Gender

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Gender	Female	160	- 0.2245	0.9261	0.0764
	Male	190	0.1630	1.0245	0.0721

Table 2: Difference in Internal Equity by Gender

	Gender
t	-3.632
F	0.206
Sig	0.000
df	348
Eta squared	0.037

The finding of this study is confirmed by Koc (2020), Morgan and Pritchard (2019), Blau and Kahn (2020), and Kabeer (2021). These gender-related studies show that women earn less than men in the tourism industry overall and in the hospitality industry specifically. Women in the hospitality industry appear to be at a disadvantage than other women in the rest of the economy, even though their productivity may be comparable to that of men. The pay gap between men and women is partially due to gender differences and partly due to discrimination based on gender.

CONCLUSIONS

The study sought to find out from the hospitality industry in Ghana if internal equity or discrimination exists in salary payment based on gender. The results show a significant disparity in the salary payment to workers in the hospitality industry in Ghana, where the males are paid higher than the females for equal work. The findings of this study point to a flouting of the International Labor Organization (ILO) convention and the Ghana Labor Act 2003, Section 10b and Section 68, which requires that every employee receive equitable compensation for comparable work without any discrimination. The study recommends that employers are educated about this law to ensure its compliance. Further studies should be conducted on this subject to explore other factors contributing to the difference. The score and the relatively small effect suggest that further research could be beneficial, especially using other variables to test, and could provide a more comprehensive understanding of the issues of gender differences on internal equity in the hospitality industry. The study is limited by the non-probability sampling technique of convenience sample adopted, which impacts its generalizability.

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URL: http://doi.org/10.14738/abr.121.16312