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Original Research

Gender Pay Gap: A Cross-Sectional Study of the Effect of Workplace Entitlement on Pay Differences

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ABSTRACT

Aim

Past empirical studies investigating the possible causes of the gender pay gap have focused on cognitive trait differences between males and females. While several researchers have concluded that personality (or non-cognitive) traits play a role in the pay gap, no definitive lists of personality variables have been discovered to explain the gender pay differentials. We explored whether self-entitlement may result in sex differences in expected salaries.

Methods

We surveyed 413 undergraduate students from an introductory university course studying management to investigate the possible relationship between employee entitlement and expected pay. The survey included two parts of questions asking about participants' employee entitlement and expected pay for different occupations, which reflected potential careers from the management program.

Results

While the results showed some sex differences, there were only a few significant relationships between employee entitlement and expected pay.

Conclusion

Although entitlement correlated positively with some of the expected starting salaries, the results do not definitely explain the sex differences in pay as men and women scored higher on certain facets of entitlement.

Keywords

Employment entitlement; Pay differences; Expectations; Salaries.

INTRODUCTION

The gender pay gap ratio for some countries is shrinking but is still far from parity. For example, in Canada, the ratio is approximately 0.87 according to Statistics Canada,¹ which means that females earn \$0.87 for every dollar that males earn. While Canada ranked highly in gender equality in the global gender gap report from the World Economic Forum,² the report also indicated that the pay gap will take up to 217-years to close. Scholars studying the underlying reasons for the pay gap, besides gender discrimination, have focused on factors such as educational background or occupational differences. For example, Summers³ reported that women tolerate being underpaid more than men. The

aim of the current study is to investigate the relationship between the gender pay gap and the personality trait of employee entitlement. In particular, do men score higher on employee entitlement than do women, and if so, does employee entitlement correlate with higher estimates of starting salaries? If men have higher employee entitlement and expect a higher salary when beginning their career, these expectations may influence the gender pay gap by influencing factors such as bargaining for a higher starting salary at the beginning of their career.

Gender Pay Gap and Personality

Statistics Canada⁴ concluded that female workers are more devot-

ed to traditional gender roles, such as childcare, and therefore work less than male workers across different industries. In addition to the statistical reports of employment frequency by gender, stereotypes are held by individuals about positions that are characteristically staffed by either men or women. For example, Collins, Reardon, and Waters⁵ found that if students were told that more women would be entering a male-dominated profession, men showed a decrease in interest in that profession. These perceptions may influence the expectation people have about the compensation they should receive in their careers.

Brenner and Bertsch⁶ reported sex differences with respect to merit pay. Specifically, men who were assertive preferred merit pay but assertive women preferred seniority-based pay. This difference in salary expectation helps to illustrate the joint influence of gender and personality traits, such as assertiveness. In general, past results have shown that the very existence of the gender pay gap may be because of social norms and the deeply rooted gender bias in society.⁷ However, if females and males exhibit different patterns of behavior due to gender differences, is there a possibility that the personality differences between men and women influence the gender difference in salaries? Mueller and Plug⁸ stated that personality, also known as non-cognitive traits, plays an essential part in shaping earning differentials.

Researchers have gone further with this assumption and selected different variables to analyze the relationship between personality and salaries in the workplace. For example, the locus of control and the preferences of challenge *versus* affiliation have been suggested to be key non-cognitive traits in the workplace reward system. Women exhibit a higher degree of internal locus of control and need for affiliation, whereas the workplace rewards external locus of control and the need for challenge.⁹⁻¹¹ These non-cognitive traits in the literature only partially explain the gender pay gap but provide insight into the relationship between personality and pay differentials.⁹⁻¹¹ It is worth noting that both variables, locus of control and preferences for challenges, more strongly effect female earnings than male earnings, therefore using only these variables to describe both male and female differences may not be satisfactory.

With respect to other personality dimensions, some have examined the big five personality factors (extroversion, neuroticism, agreeableness, conscientiousness, and openness to experience), and the gender pay gap. In one study, Mueller and Plug⁸ concluded that personality is a strong predictor of pay differentials for both male and female earnings. Agreeableness was found to be the strongest indicator when predicting male and female earning differences. Males gain an advantage for being less agreeable and females are typically rewarded for being more agreeable.⁸ Again, these results demonstrate a joint influence of gender and personality in pay and work-related rewards.

Employee Entitlement

The concept of entitlement has gained attention recently. The fact that entitlement is considered to have a negative effect in academic-related fields, causes concern in the workplace.¹² Employee

entitlement refers to employees' beliefs that they deserve better treatment than others in the workplace without any additional work input.^{13,14} The concept of employee entitlement also links to counterproductive behaviours and is thought to be associated with narcissism and self-focus.¹⁴ However, few empirical studies have discussed the possible link between employee entitlement and expected pay.

Hogue, Yoder, and Singleton¹⁵ showed that males tend to internalize their social status of being privileged even when they do not deserve higher pay. Williams, Paluck, and Spencer-Rodgers¹⁶ stated that society perceives that maleness is strongly associated with wealth; therefore, males inherently believe they deserve a higher pay (see also DuBrin¹⁷ on the importance of perception and sex differences in tactics). These studies focused solely on why males have elevated entitlement regarding salary, but due to the lack of a well-established measurement, the possibility of employee entitlement as a personality trait to explain the gender pay gap has yet to be found.

Measure of Employee Entitlement

A recent scale developed by Westerlaken et al,¹⁴ the measurement of employee entitlement (MEE) assesses employee entitlement based on the framework of the psychological entitlement scale (PES) by Campbell, Bonacci et al.¹⁸ Although the MEE is relatively new and does not have a considerable number of replicated studies, Westerlaken et al¹⁴ reported that the MEE was positively associated with the PES, was negatively associated with a measure of positive reciprocity, and that there was a non-significant correlation with self-esteem. It is worth noting that the three validation studies by Westerlaken et al¹⁴ did not explicitly report sex differences in scale scores, suggesting that this area requires further analysis.

Present Study

To investigate how entitlement may play a role in contributing to the gender pay gap, the present study explores the correlations between the entitlement scale scores and the reported expected salaries. If men do score higher on the entitlement scale, and if entitlement correlates with higher expected starting salaries, then these findings may help to explain later sex differences in pay such that if men expect a higher starting salary, they may be better at negotiating a higher starting wage.

METHODS

Participants

Following institutional ethics approval, 421 undergraduate university students enrolled in a first-year management course stated they were willing to participate. Incomplete responses (2%) were excluded resulting in a total of 413 respondents. Of these participants, 143 were male (34.6%) and 270 were female (65.4%). The respondents' ages ranged from 17 to 38-years-old (M=18.81, SD=1.88). Of note, students in this program include students studying marketing, human resources management, finance, ac-

counting, and commercial aviation. The students enter the program based on a higher entrance grade average than comparable students within the faculty.

Materials and Procedure

Questions were completed using a secure online survey. Individuals first indicated if they were a man or a woman and their age (in years). Following, participants completed the entitlement measure and then provided estimates of their expected starting salary for 10 entry-level positions (listed below). These positions were selected specifically because they reflect possible careers that students may enter into after completion of their management degree.

Measure of Employee Entitlement (MEE)

The 18 item measure of employee entitlement¹⁴ scale measures the degree to which an individual believes that they deserve preferential treatment in the workplace (example item, “Any organization should be grateful to have me as an employee”). Items are responded to using a 6-point Likert scale (1=strongly agree to 6=strongly disagree). The MEE contains three subscales, including reward as a right, self-focus, and excessive self-regard. In the present study, the nine-item reward as a right scale (example item, “I expect regular pay increases regardless of how the organization performs”) was found to be internally consistent ($\alpha=.89$; 95% confidence interval=0.87 to 0.91) with alpha not increasing with the deletion of any item. The reliability estimate of 0.89 is slightly higher than the 0.81 to 0.85 values reported by Westerlaken et al.¹⁴ The five-item self-focus scale (example item, “I should be able to take leave whenever it suits me”) also showed an acceptable internal consistency ($\alpha=0.78$; 95% confidence interval=0.74 to 0.81), and the alpha would increase to 0.83 with the deletion of the item, “Employers should accommodate my personal circumstances?”. Westerlaken et al.¹⁴ reported alpha values of 0.77 to 0.83 for the self-focus scale. The four-item excessive self-regard scale (example item, “I believe I have exceptional skills and abilities”) exhibited a lower consistency ($\alpha=0.68$; 95% confidence interval=0.63 to 0.73) with alpha not increasing with the deletion of any item. Although the 0.68 estimate is lower than the other reliability values, the value is in line with the 0.67 to 0.68 values reported by Westerlaken et al.¹⁴ Interestingly, the inter-scale correlations varied for this scale. The correlation between reward as right and self-focus was 0.81 whereas the correlation between the reward as right and excessive self-regard was 0.33 and the correlation between self-focus and excessive self-regard was 0.35. These correlations suggest that the measure of focusing on the self and viewing rewards as rights are almost interchangeable. In addition to the subscales, a total MEE scale score was computed with a coefficient alpha value of 0.90 (95% confidence interval=0.89 to 0.91) in the present study which is higher than the 0.87 to 0.88 reported by Westerlaken et al.¹⁴

Expected Salaries

Participants were asked to estimate what they would expect to earn as an annual salary if hired at the entry level for 10 occupations located within the city of the university they were attending. The 10 occupations included: retail merchandise assistant; retail management trainee in a retail company; teller at a commercial bank; accountant assistant in a corporation; payroll assistant in a human resources department; assistant manager at an airport; entry operation manager in a warehouse; safety inspector for the provincial government; sales associate at a store in a local mall; and marketing generalist for a marketing company. These positions were chosen because they reflected the areas within the academic program for the participants.

RESULTS

MEE Sex Differences

Sex differences in the MEE sub-scales and total scores were assessed and the values are reported in Table 1. The test of the homogeneity of variances (F-tests) was based on Levene’s Test and was found to be non-significant, suggesting that men and women were equally variable in their scale responses. With respect to mean differences, women scored higher than men on the reward as right and the self-focus scales. Men scored higher than women on the excessive self-regard scale. Men and women did not differ significantly on the total MEE score.

	Men Mean (S.D.)	Women Mean (S.D.)	F	t
Reward as a Right	25.40 (8.29)	27.28 (9.35)	2.61	-2.02*
Self-Focus	12.69 (4.40)	13.71 (4.67)	0.68	-2.16*
Excessive Self Regard	16.40 (3.73)	14.94 (3.30)	3.23	4.09*
Total Scale Score	54.50 (13.88)	55.93 (15.05)	0.89	-0.95

* $p<0.05$, two-tailed; 143 men and 269 women

Expected Starting Salaries

Surprisingly, there were no significant sex differences in the expected starting salary values across the 10 occupations with respect to variance differences (based on Levene’s F-tests) and mean differences (based on independent groups t-tests), suggesting that men and women expected similar starting salaries. The expected salaries ranged from \$25,000 to an ambitiously high estimate of \$100,000. The correlations between the salary estimates and the entitlement scales are reported in Table 2. Although not robust, some of the correlations show some interesting patterns. Scores on the self-focus subscale had the greatest number of significant positive correlations with salary expectations, followed by the reward as a right scale and the total MEE scale. Scores on the self-regard scale did not correlate significantly with any of the salary expectations.

Table 2. Correlations between Expected Salaries and Entitlement

Occupation	Reward as a Right	Self-Focus	Self-Regard	Total MEE
Retail Merchandise Assistant	0.19**	0.18*	-0.04	0.17*
Retail Management Trainee	0.15*	0.15*	-0.01	0.14*
Teller	0.07	0.12	-0.10	0.06
Accountant Assistant	0.10	0.19**	0.01	0.12
Payroll Assistant	0.07	0.15*	-0.09	0.07
Airport Assistant Manager	0.11	0.14*	-0.03	0.10
Warehouse Operation Manager	0.10	0.09	-0.04	0.09
Provincial Safety Inspector	0.12	0.16*	-0.03	0.12
Mall Sales Associates	0.19**	0.24**	-0.02	0.19**
Marketing Generalist	0.07	0.08	-0.04	0.06

DISCUSSION

The overall results failed to support the suggestion that gender differences in pay may be due to differences in entitlement, which results in differences in expected salaries. With respect to scale scores on the MEE,¹⁴ women scored higher on the reward as a right and self-focus subscales and men scored higher on the excessive self-regard scale. Because sex differences were not reported by Westerlaken et al¹⁴ for the MEE, these results add to the understanding of the entitlement literature. Of note, there were some small but significant positive correlations between the self-focus and reward as right subscales and expected to start salaries. As women scored higher on these two entitlement measures, this pattern may explain why we failed to find significant sex differences in expected starting salaries.

Westerlaken et al¹⁴ describe the reward as a right scale as reflecting the expectation that preferential treatment is automatic. The self-focus scale is also described as a reflection of self-serving attribution bias. These MEE subscales may show some association with the external end of locus of control and if so, support the findings by Semykina and Linz^{10,11} in regards to females' high external locus of control in the workplace. How MEE scale scores correlate with measures of locus of control is an area requiring future study. The results in salary estimations also contradict with the previous literature^{19,20} that males have a higher salary expectation than females. This lack of sex differences in salary expectations could be the product of the changing demographics in the sample since the majority of the participants are "Generation Z", and this particular generation may exhibit different attitudes toward gender inequality compared to earlier other generations. For example, in an analysis of Canadians, Desmarais and Curtis²¹ reported that in 1984, men and women were equal, in terms of proportions, with respect to the amount of income that they reported to deserve but that in 1994, more women reported deserving additional pay than did men.

LIMITATIONS

Although this study does add to the body of literature examining possible factors associated with gender differences in pay, the study is limited due to the sample homogeneity in that only first-year management students were tested, a fact which reduces the generalizability of the results. Although researchers such as Desmarais and Curtis²² reported that previous income did not significantly predict how men and women would pay themselves, the nature of the present sample may be a limitation. As the participants were first-year managerial students, this fact may explain some of the ambitious and extreme salary expectations provided by the students, who although are pursuing careers in the areas assessed, may not be familiar enough with the current labor market to provide realistic salary expectations. Future studies may want to assess graduating students who have possibly spent more time thinking about their future salaries. Future studies may also want to examine different aspects associated with salaries. For example, Orpen²³ examined various aspects of pay and motivation by examining satisfaction with benefits and raises. Possibly sex differences may emerge with respect to expected benefit packages offered by employers. Another area worth investigating is what is termed, "the paradox of the contented female worker".^{24,25} This paradox is the finding that although a woman may know that she is paid less than men are, she may not feel entitled to more pay.²⁴ Recently Valet²⁵ demonstrated that the paradox is not present when women are in male-dominated careers. Future studies with students may first ask students their perceptions of the gender make-up for certain positions and then ask their expected starting salaries.

A further limitation of the present study is that the scale employed, the MEE¹⁴ is very new and has not been thoroughly tested. For example, the scales may be vulnerable to response bias effects. How factors such as faking-good or social desirable responding influence scores on the MEE is an area which requires further investigation.

CONCLUSIONS

Overall, this study does present a new angle for studying personality and pay differentials. Based on the limitations of the current study, future research is suggested to emphasize more on the sample selection in order to enhance the sample generalizability. The second suggestion is to educate students on having a more realistic employment expectation at the entry level. Peirone and Maticka-Tyndale¹² address the importance of clear communication on realistic salaries and job duties. In addition, future research may ask for participants' ideal hourly wage instead of an annual salary that is sometimes too complicated to calculate. Finally, future studies may investigate the possible effect of sex differences on the MEE subscales since the present study show that the males' and females' responses do differ in different subscales. In conclusion, it was of great interest that the sample tested did not show any sex differences in the expected starting salary estimations. Past research, such as the findings reported by Summers³ has reported significant sex differences such that men expected higher salaries than wom-

en. These findings are both novels and encouraging as they may reflect equality in pay expectations of this younger generation.

CONFLICTS OF INTEREST

The authors declare that they have no conflicts of interest.

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