

WAGE JUSTICE IN WORK ORGANIZATIONS

- A BIBLIOGRAPHICAL ESSAY -

조직의 임금정의(賃金正義)에 관한 소론

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1980년대 직종별 임금차별에 대응하여 하나의 고용평등 이슈로 등장한 “동일가치노동 동일임금” 정책(Comparable Worth)은, 여성의 권리와 성차별 문제와 관련하여 중요한 의미가 있다. 조직정의(組織正義: organizational justice) 개념을 노동시장 임금결정에 적용한 이 정책은, 미국에서와 같이 한국에서도 그 정책적 효용성에 대한 논의가 계속되고 있다. 본 소론은, 기존의 유사연구를 바탕으로 임금구조이론과 관련하여 지속적인 성별임금격차를 설명하는 조직내 임금정의(賃金正義: wage justice) 개념의 이론적 근거와 찬반양론, 그 정책적 의미를 철학적, 경제적, 정치적 관점에서 검토한다. 결론적으로, 한국 노동시장과 임금결정구조 하에서 “동일가치노동 동일임금” 정책은 아직 시기상조임을 뒷받침하는 근본적 문제점들을 제시하고 있다.

Keyword : Comparable Worth, wage justice, pay equity,
organizational justice, gender discrimination

Compensation and reward systems deserve high priority in human resources management and organization research. The latest data from the Labor Department's Bureau of Labor Statistics (BLS, 2000) show a continued trend that women overall make only 76 percent of men's earnings. This gap remains even after accounting for differences in human capital. The existence and persistence of this gender wage gap has led to a number of policy initiatives to reduce the part of the gap attributable to discriminatory labor market practices. As such an initiative to achieve gender wage equity(wage justice), the Comparable Worth has emerged as a major equal employment opportunity issue of the 1970s and 1980s.

Traditional nondiscrimination efforts used to focus on women's access to jobs and on equal pay for equal work. Comparable Worth, however, adds a third policy program that ensure equal pay for equal worth of work, which represents that jobs do not pay less only because they are

dominated by women. That is, comparable worth compensation to equalize the level of wages received by all men and women for comparable work identifies occupations that tend to be dominated by one gender, and develop point-based job ratings for skills, efforts, work conditions, and responsibilities. It indicates that the comparability should be decided on the basis of substantive job content with regard to the comparable factors of skills, and so on (DiCesare, 1996). In short, the policy, viewed as a strategy to address gender-based wage differentials, is introduced against the effects of gender composition of occupation and occupational devaluation on female wage levels and earnings gap with men (Sorensen, 1994; Figart & Lapidus, 1996).

By the end of the eighties, however, attempts to implement comparable worth programs in workplace had been dissipated. Some economists look at the implementation of the policy from a critical perspective, arguing that jobs are truly "incomparable" (Rhoads, 1993). Furthermore, the comparable worth issue is extremely controversial because it challenges traditional compensation practices. While many sociologists and economists agree that a significant portion of the persistent gender-based wage gap can be attributed to occupational gender segregation and undervaluation of women's work, considerable controversy still surrounds Comparable Worth as a potential remedy for reducing the gap.

Beginning with the conceptual understanding of wage justice as an application of organizational justice consideration in compensation, this study reviews the various theoretical underpinnings and formulations for the idea of comparable worth pay equity as fairness rules of wage-setting policies and examines alternative explanations for the persistence of gender earnings disparity.

In terms of philosophical, economic, and political consideration, debates over the policy initiatives and arguments for and against wage justice as a distributive justice rule to the relationship between work and wages are also identified. While comparable worth advocates generally focus on occupational segregation and the undervaluing of "women's work" in setting wages by a discriminatory market, opponents strongly object to the idea that intrinsic worth of a job can be defined outside the market and believe in the market's role in setting salaries. In other words, they argue that the principles of comparable worth are not reconcilable with those of a market economy. In practice, they seriously doubt that any job evaluation system can accurately measure all factors that should influence pay levels, and strongly suspect that decisions will be largely political.

based on the power of opposing factions rather than the fair value of the labor (Campbell & Lewis, 1986).

With the concluding discussion, the exploration on fundamental problems or obstacles in implementing Comparable Worth policy which leads to the current belief that it may be yet premature to carry out and institutionalize the policy in Korean labor market are followed.

WAGE JUSTICE: AN APPLICATION OF ORGANIZATIONAL JUSTICE CONSIDERATION IN COMPENSATION

One of the basic functions of human resources management is the setting of fair pay for different jobs in the compensation system. In terms of justice in compensation administration, pay satisfaction is strongly related to perceived pay fairness, and research evidences show effects of wage residuals (differences) on workplace attitudes and behaviors of organizational members (Levine, 1990).

In fact, wage justice is an application of organizational justice considerations as managerial fairness principles to an issue of organizational functioning, compensation (Scarpello & Jones, 1996; Pyun, 1997). With respect to an organizational justice perspective, this study proposes comparable worth policy as an alternative application of wage justice against labor market discrimination. It is an illustrative policy example of earnings justice in a typical situation of gender-based discrimination. In this regard, a quest for a policy initiative of earnings justice in South Korea as well as a managerial challenge of diversity management in terms of female labor resources management warrants considerable attention.

Relevant theories consist of social comparison approaches based on organizational psychology, neoclassical economic theories such as theories of compensating differences and human capital theory, theories of segmented labor markets, and feminist/gender theories. The theories of social comparison include distributive justice theories (equity theory and relative deprivation theory) and status-inconsistency theory.

THEORETICAL REVIEWS ON WAGE JUSTICE

Comparable Worth as a battle for gender wage equity or justice means a

compensation practice which is based primarily on the relative value of the work performed, irrespective of the gender of employees. In other words, the goal of pay equity is to insure that job content fully determines wage setting and, specifically, that the gender composition of a job is not a factor in determining the wage.

Conceptual Developments of Comparable "Worth"

According to Mahoney(1983), three major streams of thought can be identified as contributing to the development of concepts of comparable worth: social philosophy, economics, and administrative theory.

Social philosophy Social philosophical approach to the definition of worth derives from concepts of social comparison, reference groups, and distributive justice. Different reward treatments (e.g., earnings) that are not proportional to differences in a critical comparison variable (e.g., skill) are violations of the norms of justice. For the comparable worth application, the social philosophy tradition suggests that earnings from employment ought to be proportional to the contributions made through employment.

Economics With regard to the concept of comparable worth, two streams of thought in economics are differentiated. Neoclassical economics approaches the definition of worth in terms of individual valuations expressed in market exchanges. Applied in the context of work and wages, comparable worth is market wage rates (market price) realized in a system of competitive markets. It does not specify any particular wage structure or measure of work contributions in the definition. On the other hand, the tradition of radical economics challenges the assumptions of neoclassical economics, and views that the process assumptions of general equilibrium and competitive markets unrealizable. Given the realities of socio-political structuring of economic opportunities in society, the radical economic tradition would be more inclined to align with the comparable worth concepts of the social philosophy tradition and to specify those contribution characteristics critical in assessing comparable worth. Economic theory yields some insights into the likely impact of a Comparable Worth policy which feeds back into women's decisions on both the quantity and quality of their labor supply in terms of female labor force participation and attachment rather than the labor demand side (Will, 1999).

Administrative practice Although most administrative practice developed pragmatically, various criteria of worth are evidenced in the practice and employed in the rationalization of practice. A major component of administrative practice is job evaluation, which is the primary method of determining relative worth of different jobs. Another criterion of worth employed in this approach is the concept of market wage (surveys of market wages) derived from the tradition of economics. Administrative practice thus tends to employ both a normative criterion of job worth (job evaluation) and an empirical criterion (market surveys).

Theory Bases for Justice and Fairness

Social Comparison Approaches

Individuals compare their compensation with those received by others doing similar work. With the public debate over comparable worth and gender discrimination, this line of research deserves early attention.

The social comparison theory, originally based on the work of Festinger (1954), "A Theory of Social Comparison," postulates that people have a drive to evaluate their abilities or opinions and that they select others similar in ability or opinion to accomplish this evaluation. Goodman (1977) contends that social comparison processes (SCP), as one of the most pervasive phenomena in our organizational settings, refer to the processes in which the individuals compare some characteristic to a reference point in order to evaluate the characteristic in question, and the evaluation of pay (as well as promotion) is one of the most obvious examples of SCP in organizations.

The concept of relative deprivation (as well as reference groups), reflecting a sociological rather than psychological viewpoint, parallels in some ways the SCP and also affords new perspectives. The relative deprivation theory points out that it is not the absolute level of promotions that is significant in producing satisfaction but the relative discrepancy between what one attains and what one expects to receive. Martin (1981) applies the concept of relative deprivation as a theory of distributive injustice with shrinking resources.

From the viewpoint of organizational motivation, Adams (1965) points out that understanding of inequity which exists in the comparison of inputs and outcomes of persons with other relevant individuals can motivate to restore equity. Equity theory is a more recent attempt to conceptualize the comparison process to evaluate outcomes or rewards. Much of the recent research have been done to expand the concept of

equity as relative equality to a variety of social relationships. With respect to underpayment and overpayment, equity theory posits that perceptions of equitable pay play an important role in defining attitudes and behaviors concerning employment because individuals attempt to equate their ratios of outcomes to inputs with the ratios of relevant others (Johnson & Johnson, 1991).

Meanwhile, the concept of distributive justice functions in the same manner as equity to explain how people evaluate outcomes. It represents the sociological counterpart of equity theory. The concept of the "distribution rule" deals with how rewards should be allocated. It is a set of cognitive and normative expectations of outcomes and inputs are related. Mostly, equity research has taken distribution rules as a given: that is, people believe more effort or performance deserves more pay.

Distribution Rules as Justice Principles

Justice is a long-standing element in most social contracts. It has generally come to mean "that which is fair." According to Sen (1992), by far the most influential theory of justice presented in the twentieth century has been Rawls' (1971) "justice as fairness." One of the main aspects of the Rawlsian justice theory is Rawls' use of the device of the original position -- a hypothetical state of primordial equality in which people (without knowing exactly who they are going to be) are seen as choosing between alternative principles that would govern the basic structure of the society. The principles regarding the basic social structure that would be picked by the fair procedure are seen as just. A general approach to justice that easily incorporates equity (fair exchange) and distributive justice (fair allocation), and that provides indirectly for procedural, relational, and retributive justice (just compensation), is the principles or distribution rules. Different distribution rules are codifications of different underlying principles of justice (Cook & Hegtvædt, 1983).

Distribution Rules in Wage-Setting Policies: Social Fairness

It is believed that the normative conception of justice involves the application of a normative rule in a situation to the distribution of resources or rewards to recipients. It is quite common for individuals to apply the idea of fairness (more formally "distributive justice") to the relationship between work and wages.

Fairness conceptualization The concept of Comparable Worth as well as the dynamics surrounding its promotion are practical examples of issues raised by research in the social psychology of distributive and procedural justice. Hegtvedt (1989) examines wage-setting policies as different conceptualizations of fairness and proposes social psychological approach to justice. She locates Comparable Worth as one among a number of distribution or justice rules, and demonstrates how Comparable Worth policy issue stimulates theoretical developments regarding the relationship between individual deservingness, social fairness, and even social power.

Then, at the crux of the Comparable Worth issue, what distribution rule do people believe is just in the workplace? As a type of individual deserving rule, equity guarantees workers a wage commensurate with their "contributions" to the enterprise, where "contributions" theoretically are levels of worker productivity (Hegtvedt, 1989). In principle, existing wage policies and Comparable Worth share an emphasis on individual deserving and thus appear to represent the same normative conception of justice. One source of the divergence in justice conceptualization lies in the emphasis placed on market factors. That is, traditional wage systems relying upon neoclassical economics take principles of supply and demand as the basis for determining the value of individuals' work contributions, claiming "market price for labor." But, in reality, many factors, such as unionization, government regulations, internal labor markets, worker and employer preferences, interfere with market-based wage policies. Although Comparable Worth is sensitive to market factors and internal labor markets, its intent is to decrease the influence of biases and outmoded social values in determining the worth of jobs by focusing more objectively on relevant job contributions.

Based on this reasoning, it is emphasized that if the individual deserving rule guiding existing wage-setting policies ever explicitly or implicitly included gender as a reward-relevant characteristic or a factor by which to weigh all other contributions, the contributions made by women would have been judged of lower worth because of the historical social devaluation of working women and of women's work (Remick & Steinberg, 1984). As a result of such valuations, the aggregation of individual deserving levels produced a wage gap between the wage distributions for men and women that became institutionalized as an accepted bimodal subgroup principle of justice. Thus, the policy of Comparable Worth redefines reward-relevant characteristics by emphasizing compensable job factors and by explicitly disallowing

considerations of immutable status characteristics of workers such as gender and race.

Procedural justice in evaluation The technical issues focus on determining the worth of jobs, and the value questions arise in the debate over implementation of the Comparable Worth policy. Notions of procedural justice are of particular importance in addressing the technical issues underlying Comparable Worth, which involves the evaluation of procedures leading up to distribution in terms of the same normative criteria applied to distributive justice: impartiality, and the welfare of those affected by the procedure. The first step in establishing the worth of jobs and commensurate salaries is the choice of a job evaluation system.

Self-interest and power dynamics Social psychological research concerns the effects of social position on the use of distribution rules and on the evaluation of fairness in the resulting outcome distributions. Distribution rule preferences, especially in impersonal, task-oriented situations, often reflect the self-interests of evaluators based on their social positions in a group (Cook & Hegtvedt, 1983). The positional differences lead to characterize participants in the Comparable Worth debate. The structural changes in the labor market and increased political clout of a formerly relatively powerless group allow for the presentation of a new concept of justice in wage setting.

For instance, proponents of Comparable Worth, the less powerful groups (i.e., social "underdogs"), are responding to the inequality of wages for men and women that remains after controlling for human capital investments and job characteristics. Major opposition to Comparable Worth comes from the business sector, the more power side defends the market-based deserving rules and by implication supports a subgroup justice principle allowing differential pay standards for the work that women do compared to that performed mainly by men. Thus, although normative conception of justice emphasizes impartiality (Rawls, 1971), definitions of fairness often reflect self-interest: actual beliefs about fairness are intimately related to social positions and power.

Alternative Explanations for Gender Earnings Disparity

Three Theoretical Explanations

Three principal theoretical categories explain the existence and

persistence of occupational segregation by gender and the typically lower pay of women workers (earnings disparity): neo-classical economics and human capital theory; institutional and labor market segmentation theories; and feminist/gender theories.

Neo-classical economics and human capital theory highlights the important role played by systematic differences in the human capital (e.g. work productivity-related factors or personal endowments such as education, experience, and preferences) accumulated by men and women. Neoclassical economics explains earnings differentials between female- and male-dominated occupations by reference to human capital theory. The theory predicts that occupations that require more human capital factors will pay higher wages (Anker, 1997; Reid, 1998; England, 1999).

On the other hand, institutional and labor market segmentation theories stress the existence of segmented labor markets and occupations, and it helps reduce wages in "female" occupations through the overcrowding effect. Proponents of the industrial or occupational segmentation perspective focus on the effects of industrial and occupational characteristics, and suggest that wage levels are influenced by the sectoral or job structure of the economy. And, occupational and industrial segregation by gender as one of the most important and enduring aspects of labor market is detrimental to women: having negative effects on how men view women and on how women view themselves. In this regard, an empirical study by Meng (1998) also supports that gender occupational segregation mainly due to the unequal treatment of male and female attributes in occupational assignment, contributes very significantly to the gender wage differential. Controlling for workers' productivity-related characteristics, Fields & Wolff (1995) discovers that female workers' hourly earnings do differ significantly across industries (inter-industry wage differentials), and industry effects explain about one-third of the overall gender wage gap. Other scholars (Figart & Lapidus, 1996; Pincus & Shaw, 1998; Orazem & Mattila, 1998) point out the supply-side factors of pay disparity and comment that in context with other measures of workplace equity, Comparable Worth addresses the wage effects of labor market segregation. Besides, occupational segregation by gender can be explained by both supply and demand-side factors. Explanations related to supply generally focus on women workers' preference or voluntary decisions in selecting certain types of occupation with personal concern: for instance, family care-giving responsibilities and working-hour flexibility, while labor demand-side focuses on employers' preference to

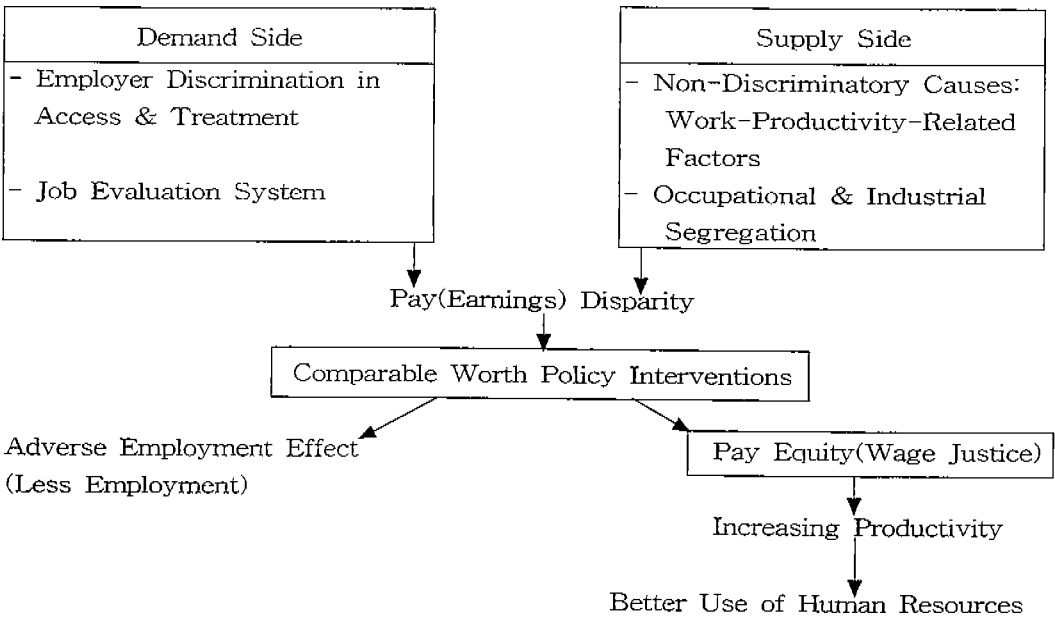
hire men workers.

Despite the valuable contributions of these two categories of theories to the understanding of gender earnings differentials in the labor market, they fail to adequately consider non-labor market variables and are less helpful in understanding occupational segregation by gender. In comparison, providing the most compelling explanations for the gender segregation of occupations with considering the non-labor market variables, feminist/gender theories support that low pay associated with "female-dominated" occupations are due, a large extent, to the fact that they are "female" occupations.

Causal Schema for Comparable Worth Ideas

Major causes of wage gap or disparity can be examined with factors from both demand and supply sides. Gender biases built into the job evaluation processes and devaluation of women's work which comes from employers' preferences and discrimination mainly explain the demand side, while work-productivity-related factors and occupational/industrial segregation do the supply side.

A theoretical framework based on a causal schema for the hypothetical relationships of Comparable Worth policy ideas relate those contributing factors to earnings disparity and then the program intervention with its policy implications including adverse employment effect and increasing pay equity.



COMPARABLE WORTH CONTROVERSY

The controversial concept of comparable worth springs from the notion that employers can and should pay wages according to the intrinsic value of a given job (by definition, jobs requiring comparable skill, effort, responsibility, and working condition), not according to market or other extrinsic forces. The literature, in general, address three major areas of disagreement on the comparable worth issue: explanations for the gender earnings gap; measuring job value; and the philosophical, economic, and political implications of comparable worth (Moore & Abraham, 1994).

The proponents of the doctrine view implementation of comparable worth wage schedules as the best way to reduce the indisputable earnings gap between male and female employees, arguing that gender discrimination is the culprit for the disparity. The advocates emphasize the role of market discrimination and occupational segregation in lowering the wages earned by women, and conclude that intervention in the labor market, such as comparable worth policy, is necessary to correct the market wage to eliminate the distortions caused by gender discrimination (Peterson, 1990).

On the other hand, comparable worth critics decry the notion as a fundamental misunderstanding of the role of wages and prices in the economy. The neoclassical critics of comparable worth ridicule the idea that work has a worth other than that determined in the market. Opponents argue that many factors other than gender affect wages, and that mandatory implementation of a revised pay system based solely on the perceived intrinsic worth of the job would bring chaos to the entire labor market and economy (Siniscalco & Remmers, 1985).

Meanwhile, Koziara (1985) also argues that the issue in comparable worth policy is not whether it is possible to meaningfully compare job content, but rather what effect comparable worth will have on the organization. In identifying organizations likely to be affected and analyzing the issues these organizations will face in terms of philosophical (which reflect individual and cultural values), economic, and political dimensions, the author contends that decisions to support or oppose comparable worth depend on perceptions of its organizational and political effect.

Proponents (Advocates)

Comparable worth advocates assume that the relation between earnings and percentage female in an occupation is due to crowding or other forms

of gender discrimination. The proponents, in general, argue that the earnings ratio disparity cannot be explained by anything other than discrimination; women's earnings have been unaffected by fair pay and employment legislation because women remain in segregated jobs; and the only solution that would have a significant impact on women's earnings is to raise the pay that women receive in women's jobs (Moore & Abraham, 1992).

Perlman & Pike (1994) maintains that future progress in eliminating inequalities can only be made by the application and extension of legislation which embodies the principle of Comparable Worth. Reid (1998) also understands that the percent female of an occupation affects wages negatively and jobs dominated by females are devalued by their association with women, and addresses that comparable worth policies are clearly important for addressing the discriminatory job assignment and gender discrimination that women face in the labor market.

With regard to measuring job value, the main argument of Comparable Worth advocates revolves around the idea that the best way to document pay differentials in respect to job worth is using a sound job evaluation system within organizations (Gottlieb, 1985; Smith, 1985; Romanoff et al., 1986; Olney, 1987; Mangum, 1988; Acker, 1989).

In the empirical analysis of Minnesota's implementation, Sorensen (1994) provides new estimates of the wage and employment effects of Comparable Worth: larger relative pay increase for women and a smaller decrease in employment in targeted jobs than findings in Killingworth (1990), and concludes that Comparable Worth can improve the relative earnings of women without serious job losses at least in the public sector. Gunderson (1995) also presents a rosy picture of comparable worth, in the discussion of international experiences with the policy implementation, asserting that it does not reduce employment, but only reduces employment growth.

Consequently, while the opponents and proponents of Comparable Worth both agree that determination of the job worth is a kind of subjective process, those advocates argue that the absence of an absolute standard of job worth does not preclude employers from developing their own standards for comparing jobs to reduce pay disparities in their workforce (Kalantari, 1995).

Incomparable Worth (Opponents)

The principle of equal pay for equal worth of work encounters basic

obstacles in its application. The most immediate obstacle is how to define comparable jobs: they are all jobs of equal value or comparable worth to the employer, regardless of job similarity. Then, the major arguments stem from the fact that Comparable Worth relies on complicated job evaluation procedures rather than superficial job comparisons. The opponents of the policy argue that job evaluation practice is not realistic, and that jobs do not have intrinsic value or worth but have subjective value to the firm. In this regard, the subjectivity or gender bias problem of job evaluation system, absurdity of the point system, and job worth comparability: how to exactly evaluate job worth, are target issues for the controversy (Cuddy, 1985; Thornton, 1986; Lieberman, 1986; Evans & Nelson, 1989; England & Kilbourne, 1991; Rhoads, 1993; De Corte, 1993; Quinn, 1994; Verburg, 1998; McDonald & Thornton, 1998).

Other arguments mainly focus on the challenge of policy intervention via the regulatory mechanism against free market economy (irreconcilability with market mechanism) (Lutz & Brown, 1985; Rhoads, 1993; Wooden, 1999; England, 1999): adverse side-effect of economic cost through raising pay rates for under-compensated group and less employment (Lutz & Brown, 1985; Thornton, 1986; Killingsworth, 1990; Lawler, 1990); recognition of nondiscriminatory factors such as female workers' voluntary decision for more family care-giving responsibilities, crowding effect, and its supply-side occupational segregation (Lieberman, 1986; Killingsworth, 1990; Lofstrom, 1999); and understanding wage disparity as a combination of technical, economic, legal, and political issue (Killingsworth & Hill, 1989; Jacobson, 1989; Figart & Kahn, 1997).

In sum, these arguments lead to a conclusion that achieving pay equity by Comparable Worth is administratively impractical, and may be an implausible and even impossible dream as an "ill-conceived solution to a serious problem." Furthermore, Rhoads' work (1993) demonstrates that Comparable Worth based on job evaluation is nonoperational and jobs are truly "incomparable," and argues that defining specific jobs and determining wages by comparable job worth rather than by abilities would be counter-productive in today's economy. The opponents conclude that the issue of salary differentials is best resolved through market forces, not through judicial and legislative fiats.

COMPARABLE WORTH LEGISLATIONS AND MANAGEMENT IN SOUTH KOREA

In the beginning, "equal pay for equal work" was conceived as a slogan in the U.S. for the campaign to eliminate pay discrimination against women and minorities for equal jobs. In the 1960s, two laws were passed to enforce this principle: the Equal Pay Act (1963) and the Title VII of the 1964 Civil Rights Act. While these provisions are generally held to be applicable only to jobs "substantially equal" in nature, many U.S. states have adopted laws that calls for equal pay for work of "comparable worth" beyond equal pay for equal work. It is a newer slogan that is not directly addressed by any law, and takes "equal pay for equal work" one step further to apply to comparable jobs.

In comparison, in line with the current interests in "gender issues" which gave birth to the Ministry of Gender Equality this year, some research have attempted to make the principle of equal pay for equal worth of work (comparable jobs) implanted and spread out in South Korea. The review of relevant Korean literature and the discussion with the directors of the Ministry of Labor reveal the fact that there are still fundamental problems or obstacles as "local conditions and administrative contingency" in implementing Comparable Worth policy in Korea.

Confucianism Korea has been under the doctrine of Confucianism for centuries as the West under Christianity. Confucianism places extreme emphasis on the value of family institutions as the basic foundation of society. Stereotypic perception or misperception on women and devaluation based on the Confucian tradition is critical.

Limited Enforcement of Equal Pay Law "The Equal Rights Law for Male and Female in Employment" (enacted in December 4, 1987 in Korea and partly amended) takes the reality of unequal treatment of female workers despite the provision of discrimination prohibition in the Constitution and the Labor Standard Law. It is to secure practical equality through prohibition of gender-based discrimination and protection of motherhood in employment to help elevate the status of working women and to promote their welfare. The law, however, prescribes equal pay for comparable worth of work only "within the same workplace."

Only Court Cases Matter The punitive provision of the law should be more positively readjusted with taking its balance with the related legislations into consideration. As Moore & Abraham (1994) point out, however, attempts to correct wage discrimination through legal avenues have been extremely slow and at best non-definitive, and that comparable worth claims may be shifting to out-of-court settlements (non-judicial

settlements).

Pay System Structural pay systems are primarily based on compensation according to seniority principle. The compensation objectives of paying for job worth, such as seniority, merit pay, market-based rates, and equity, are integral to job evaluation.

Ideology In practice, under the capitalistic economy, the Korean government can not force industrialists to accept the "given" (by job evaluation methodologies) worth against their profit-maximizing principle.

Value System Value of efficiency in employment security or employment insurance system of the labor market, for instance, still have priority in Korea rather than that of equality or equity especially in public policy arenas.

Institutionalization The Korean government has been more concerned about the occupational segregation and discrimination in the chances of selection, promotion, and training, rather than about wage discrimination itself. With the inefficient labor unions and collective bargaining processes, Korea seems to be still at the stage of "equal pay for equal work," prohibiting unequal pay for equal job only because the worker is a woman. At this moment, even though any specific cases of pay inequity can be examined and controlled, it seems to be yet premature to carry out and institutionalize the Comparable Worth policy in Korean labor market.

DISCUSSION AND CONCLUDING REMARKS

With growing global competition, efficient human resources management and development maintaining justice, especially wage justice, in organizational contexts calls increasingly more attention. In terms of more effective management of work organizational diversity and embodiment of organizational democracy and justice, equal labor market opportunities for men and women and gender pay equity have great policy implications facing with increasing participation of women in the workforce. Then, ever since the 1980s, comparable worth issue has become closely identified with women's rights and gender discrimination concerns.

Almost four decades have passed since equal pay became the law. However, equal pay structures exist but more in theory than in practice today. Although women's pay and occupational distribution have improved during the past few years, it is still true that women earn considerably less than men and that their occupational distribution is substantially different.

In terms of the analysis of wage differentials, some of the differentials are undoubtedly due to longstanding stereotypic perceptions on the part of both employers and job applicants, and efforts need to be directed at eliminating wage differentials caused by such misperception. However, the focus on redressing this labor market problem has been still very one-sided. In contrast, along with previous research from the demand side perspective, a simultaneous attack on both the supply and demand side of the wage gap problem will probably achieve greater success in eliminating such wage differentials than an assault on the demand side alone.

In addition, unfortunately, a complete and balanced policy analysis of Comparable Worth has not been conducted. We still have few estimates of quantitative magnitude of the possible costs and benefits, which prevent a balanced evaluation of Comparable Worth as a national policy. Furthermore, little attention has been given to alternative policies, reflecting the lack of consensus about what problem is to be remedied. As Sorensen (1994) argues, Comparable Worth policies have been implemented successfully in the public sector: they have improved the relative economic positions of women without causing significant employment loss. However, when extending to the private sector, other issues should also be considered.

As in the U. S., the merits of comparable worth are still being debated in South Korea. According to the Comparable Worth proponents, jobs traditionally associated with women have been systematically undervalued in the marketplace, and critics still maintain that job evaluation systems are inherently subjective. The reason why comparable worth issues are still controversial comes from the facts that it appears to be a costly reform: the policy challenges existing structural pay systems and basic cultural assumptions about the relative value of the activities of different groups in society (e.g., awareness of the premium placed on male in traditional Confucian culture); and it redistributes not only economic resources, but also labor market power to women workers. Even where there is some agreement that comparable jobs should receive comparable pay, some of the important details of implementing such a policy remain. In this regard, one of the dominant theme in the current literature is a focus on technical issues, such as the effectiveness (reliability and validity) of job evaluation judgments based on the appropriate job analysis or the use of statistical techniques in the interpretation of the job evaluation results.

Besides, while the practical benefits that pay equity has brought to

low-paid women are of obvious importance, Blum's (1991) interest goes beyond these benefits to the long-range impact on class and gender politics. It is believed that the ultimate success of the Comparable Worth challenge will hinge on the ability to broaden the discourse of both the labor and the feminist movements and further to transform both political discourse and the consciousness of employed women in radical ways.

In conclusion, with more women entering the labor market, employers and employees must take steps to advance wage and job equity. Moreover, there is a responsibility within professional arenas to share information on pay equity as an application of organizational justice or managerial fairness in compensation. Compensation policies, in general, represent a clear tension between efficiency and social values. Sometimes, efficiency may impede efforts toward social equality in earnings. The development of compensation policies that promote flexibility and efficiency without sacrificing fair treatment are the challenge of the future (Wise, 1994). As a consequence, we need to examine more closely the ways we value work, and to remove barriers so that ultimately "male jobs" and "female jobs" do not exist. In this sense, Comparable Worth is, though not a panacea, a reasonable way to begin eliminating gender-based pay inequities.

Among the internal and external environmental influences on human resource management, however, no other issue has social, political, and economic implications than Comparable Worth. Thus, the legal constraints alone are insufficient, and more effective application of the principle demands for the combination of technical, economic, legal, political, and social considerations (Hegtvedt, 1989; Moore, 1992).

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편상훈: 성균관대학교 경제학과 졸업, 서울대학교 행정대학원 졸업, 미국 Carnegie-Mellon University 정책학 석사, 미국 University of Southern California 행정학 박사(Ph. D.). 한국과학기술원 연구원, 한국전산원 선임연구원 역임. 현재 울산대학교 사회과학부(행정학 전공) 조교수로 재직. 주요 관심분야는 조직론(조직행태론), 인적자원관리론, 지방행정, 전자정부론 등이다. 주요 논문으로는 조직정의와 업무성과의 상관성에 관한 실증적 연구(1998), 국정관리개혁을 위한 공공부문 자원봉사 활성화 방안(2000) 등이 있음.