

# A Study on the Glass Ceiling Effect and Its Rational Perspective

## Abstract

*This paper emphasizes in giving the concept of Glass Ceiling a different perspective. The phenomenon is observed and analyzed through various angles to find out the rationale behind. The article after explaining the basics like the origin, the present state etc, takes a path where it critically evaluates and takes its stand favourable for certain factors which traditionally have been blamed for generating the Glass ceiling and restricting women employees from getting into top positions. Those factors include the employer who decides on the policy regarding the ceiling, the competency of the women employee who is considered to be the victim, the system existing in the organizations which have a role to play in deciding the ceiling like the recruitment Board, Performance Appraisal etc. The article also discuss the impact of glass ceiling on married couples working in same place as it stands as an emerging challenge in every organization.*

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## Introduction

Are women equally competent with men at work is a prevalent matter of debate. Experts repeatedly certify that women are capable enough to do all the work that men do. It is the need of the present social situation to accept women at par with men and give them equal opportunity. In most of the multi national companies, the managers feel proud to announce their policy regarding the equality they see in their employees, especially on gender basis. Even with the existence of these policies, the changes happening in the corporate world with respect to women and their employment and the social situations changing on favorable terms, the real fact is that, women are discriminated with men especially when they are considered for key positions and pay.

The significance of this discrimination came along with the entry of more female employees in workplace. The movement has taken pace in such a way that today women have become an inevitable factor. In fact, almost everywhere in the world, increase in female employment has also been aided by a big shift in the type of jobs on offer. Unfortunately, from the statistics of all major players in the world, one common thing noticed is that after one level in the organizational



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hierarchy, the number of women positioning themselves decreases. This decreasing tendency goes in such a way that, at the top end the rare among the rarest women is seen. The lucky female who grabbed that elite position when compared with her male counterpart indicates another irony where women executives draw much less salary than male executives. The golden letters, with which the above said phenomena embossed, can be read as “The Glass Ceiling Effect”.

## Literature Review

Various studies all over the world entrust the fact that women employees are considered with less importance with their male counterparts. A recent study says that women accounts for only 7 percent of directors on the world’s corporate boards. In America, when it comes to 15 percent, Japan accounts for only less than 1 percent women in their corporate board. (The Economist: 2006). Taking the figures with respect to job positions from Fortune 500 companies, only 2.4 percent of the highest management jobs were held by female employees (ILO Statistical year book, 1997). Japan, being one of the developed and financially stable country with all the antidiscrimination laws, follows separate portfolios for men and women. The latest statistics provided by Japanese Government shows that only 1.2 percent of the corporate development chiefs in Japan are women and during the last ten years, the percentage of women managers has grown from mere 0.04 percent to reach 8.9 percent of all lower level management positions (Luthans, 2005). In Chile, women are seldom promoted into the upper ranks of the management. In Hong Kong, the current percentage is 22 and comparatively considered to be good as it increased from 16 ( Hymowitz,1999). In United States, the various cases reported against companies before the commission looking after equal employment opportunity is increasing and most of them are settled on terms requiring large payments by the firms. (Luthans, 2005).

Even in academia, 85 percent of the studies confirm that there exists a Glass Ceiling (Elizabeth: 2005). Studies say that women progress through the ranks of their profession more slowly than their comparably skilled colleagues (McDowell, Singell, Larry & Ziliak, 1999). Recent studies on senior managers of Fortune 2000 industrial and service companies states that only 5 percent of them are women. Studies also shows that men were eight times more likely to be CEO’s than women, 10 years after earning a degree from the Stanford University Business School (Chavez, 1995). At Wal-Mart, recent analysis indicates that about two-thirds of the hourly workers are women, but only one third are managers (Zellner, 2003).

The same is the case of salary given to female employees. At Wal-Mart, the hourly women earned 4.5 percent less than men with the same job title and the salaried women made 5.8 percent less (Zellner, 2003). As per the National Committee on pay equity, by the end of 1960’s, women were paid 69 cents for every dollar men made. This century has given only a slight increase in the pay that women get when compared with men, 74 cents for every dollar men made. When coming to black and hispanic women, they are making only 63 and 54 cents respectively for every dollar men gets (Ivins, 1999). In Japan, the salary of female compared with their male counterpart is only 64 percent and it declines to 51 percent when considering part-time job. (Luthans, 2005). Another study which compared 40 male graduates from the Columbia graduate school of business, the average starting salary were the same and ten years later male employees were receiving a salary which is approximately 41 percent more than that of a female employee (Flippo, 1984). Considering these statistics and its increase, the year in which equality will be reached normally, is envisaging a panic.

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## Employer's Rationale

No organizations make appointments or promotions without sense. They analyze all possibilities, do a critical performance measurement as well as succession planning before choosing an appropriate executive to manage their business. Hence, the possibility of a purposeful negligence to a higher position or pay is minimum. The question arises here is, has the blame to be given to the employers efficiency to evaluate an employee in the correct manner through a validated performance appraisal tool or through a sensible recruitment process so that highly performing women also get into higher posts or is there any perceptual problem which overrules the managers rational capability in ignoring the potentials that lies within a women. The thought can even be devastating when it underlies the question as, is it because the women employees are really incapable to their male counterparts when coming to various skills that are essential to be on the top position and just to make their organisations compete with other organizations ruled by males, the employers have to be more vigilant which results in ignoring female employees.

## Women Competent

A general perception exists across the world that women are less competent than men and they are not able to achieve the results that men could achieve with the same effort and time. But various studies conducted shows that the results does not match with it and also proves, that in certain areas women are more competent than men. Considering the intelligence factor, studies suggests that men and women do not differ and they score virtually identical on standard tests (Lynn, 1994). Studies also says that women tend to score higher than males with respect to verbal fluency, literature, spelling and writing (Stanley, 1993). A study conducted by Silverman and Eals concluded that women outperformed men in various tasks given to them in small office conditions (Silverman & Eals, 1992). A study by Catalyst, a consultancy, found that American companies with more women in senior management jobs earned a higher return on equity than those with fewer women at the top (The Economist, 2006). Studies have also suggested that women are often better than men at framing goals and communicating. Experts reckons that if Japan raised the share of working women to American levels, it would boost annual growth by 0.3 percentage of points over 20 years (The Economist, 2006).

With the evidence that women are equally or more competent than male in almost all aspects of life, why do the efficient women fall back her male counterpart? The aspects which influence the male domination in a work place especially when women are considered for higher position and salary is a matter of discussion.

## Appraisals Mere Flaunts

In every organization, an employee is been assessed by the superior officer either directly or indirectly before considering him/her for various posts. Considering the career advancement of an employee in the organization where he or she works with, the role of performance appraisal cannot be sidelined. The process also gets applauses and criticisms from the assesses based on the result it gives to them irrespective of its validity. The women employees whose career advancement has been jammed by the Glass Ceiling also would have criticized this tool to an enormous level. So a conclusion made in Glass Ceiling Effect without analyzing the advantages and disadvantages of this tool would be an irony.

A survey of approximately 1000 firms indicted that even in the seventies, 80 percent have some type of formal appraisal system and 87 percent of those having more than 5000 employees used a better-framed systematic approach (Varney, 1972). A survey done by William M Mercer through

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an HR consulting Firm in 1995 found that 40 percent companies used 360 degree feedback and forecasted that by 2000, the figure would jump to 65 percent which almost proved correct (Atwater & Waldman, 1998).

Even in the case of Glass Ceiling Effect, the managers may have an appraisal score for every respective employee that would substantiate the decision before the management and other employees. Theoretically, performance appraisal is considered to be an effective tool to understand the performance of an employee based on his/her skill, efficiency and effectiveness. It has been proved through various studies that conducting performance appraisal and providing necessary feedback would enhance performance. A comprehensive review with 30 laboratories and 42 field experiments concluded that performance feedback had a positive effect (Kopelman, 1986). A very recent study made by Stajkovic and Luthans found that, although not as high as contingently administered money and social recognition reinforcers, the performance feedback intervention still yielded a highly significant 20 percent performance improvement (Stajkovic & Luthans, 1999).

These studies do not make sense in the reliability factor of performance appraisal and justify the manager's decision on avoiding female employees in higher posts. They only suggest that performance appraisal if done effectively will yield better results or else it leads to more devastating consequences. Management guru Edward Lawler commented upon this system as 'performance appraisal systems neither motivate individuals nor effectively guide their development and instead they create conflict between supervisors and subordinates and lead to dysfunctional behaviors' (Lawler III, 1994). According to a British source, one in eight managers would actually prefer to visit the dentist than carry out a performance appraisal (Butcher, 2002). The Performance appraisals when conducted are not fair, accurate and timely, they fail to reward star performers, fail to provide encouragement and guidance to borderline workers, and fail to give proper feedback to those whose work is distinctly substandard (Johnson, 2001). Studies also indicate that performance appraisals also create anxiety for the appraised employee. The opportunity for promotion, better work assignments, increased compensation which are some of the outcomes of appraisal process may not only cause apprehension but also outright resistance.

A study which reviewed 22 performance appraisals conducted concluded that the purpose of appraisal would create strictness and leniency in the process which would influence the final results (Jawahar & Williams, 1997). A study reviewed performance ratings from over 20000 bosses, 50000 peers, and 40000 subordinates and concluded that black raters rated black ratees higher than white ratees and white bosses assigned more favorable ratings to white ratees than to black ratees (Michael Mount: 1997). In another study of almost 300 managers from Midwestern US companies, 32 percent rated that their performance appraisal were very ineffective, while only 4 percent rated them effective to a large extent (Antonioni, 1994). Another survey of 181 manufacturing and service organisations concluded that 11 percent had stopped using annual appraisals, while another 25 percent planned to discontinue them within two years ( Siegel, 2000). The research findings and explanations which contradict with the famous HR tool applied by most organisations doesn't devitalize its significance and authenticity but only make the readers think about the importance of making the design and process systematic for achieving more effectiveness.

### **Recruitment Boards Fail**

Another platform where women employees are rejected from entering into a senior post is the recruitment and selection board of an organisation. The same have undergone various changes in its process and results with the advancement of information technology and usage of various

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advanced tools that helps in selecting the right candidate. It has gone up to a stage where there exists specialized agencies to find suitable manpower for their clients using most modern techniques and tools charging a fees ranging approximately from 20 to 50 percent of the first year's salary of an employee selected (Aswathappa: 2006). The sources of recruitment are also changing dramatically as organisation's largest share of newly hired employees comes from referrals (about one third) and the next largest share (30 percent) from online applications (Mintz, 2005). The interviews conducted nowadays are said to be valid (Judge *et.al* , 2000) than previously believed and is generally a much better predictor of performance than previously thought.

Can these advancements help the right women to access a senior post or the same old interviewer biases and errors have a role to play? In general, the selection process has become more scientific and systematic. But that doesn't justify to hundred percent that the decisions taken by the board is correct and the women rejected are the result of their inefficiency. Improvements are expected in this area when considering various research studies, where one study says that in 85 percent of the cases, interviewers had made up their minds before the interview began based on first impressions gleaned from candidates, application forms and personal appearance (Dessler, 2005). A relevant study conducted in this area made the subjects evaluated based on photographs and the interviewers perceived men as being more suitable for hire and more likely to advance to the next executive level than they did with equally qualified women. Even in the case of men who were considered, they chose more attractive men to be selected with the less attractive ones (Marlowe, 1996). Even though the extent to which the glass ceiling effect owes to recruitment and selection process cannot be completely attributed, a mere percentage of errors with which women employees losing their chance can be justified as in the case of performance appraisal.

### **Glass Ceiling And Married Couples Working Together – An Emerging Challenge**

A recent trend found in organisations is the increasing number of married couples working together. This gender revolution in the workplace has made the Glass Ceiling effect to play a role in the relationship between husband and wife also. Going with the words of Mary Loftus, being economic partners on equal footing and sharing similar work loads and job demands, brings interdependence to marriages and takes the pressure off men to be the sole providers and gives women more rights and respect (Loftus· 1995). The organisations also started encouraging this trend which has come up to a stage where the corporate world even started issuing dating allowance to its employees. Now most companies have relaxed policies about employing family members.

The decision on engaging married couples in workplace and its pros and cons is dependant upon various factors. Apart from that when taken in the context of Glass Ceiling effect, married couples working together may get a tougher hit from the ceiling if the company where they are working is not having an adequate culture and policy that promotes equality. Glass Ceiling, basically being the synonym of inequity, the concept of equality and its resultant, satisfaction, on job is noticeably linked. Going with the theory of Stacy J Adams, social psychologist, a major input to job performance and satisfaction is the degree of equity (or inequity) people perceive in their work situation (Luthans, 2005). An instance of getting ignored, that too after comparison with the life partner, leaves more room within the person for developing dissatisfaction towards the organisation in general and job in specific. Various researches have undoubtedly proven the relevance of job satisfaction on organizational performance. Studies has shown that larger the discrepancy that exists between what people have and what they want with respect to various facets of their jobs, the more dissatisfied they are with their jobs (McFarlin & Rice , 1992). Another study on this area indicated that satisfaction has a definite role to play in departmental (Adsit, London, Crom & Jones, 1996) and organizational level improvement (Ostroff, 1992).

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Job satisfaction, being one of the important factor deciding the overall performance of an organisation, it would be rationale for the management to think and avoid factors that affect the satisfaction level. Going with the words of Fred Luthans, an expert and renowned writer in organizational behavior, a much stronger relationship is evident between employee job satisfaction and performance according to the latest analysis (Luthans, 2005). The studies become more relevant when observed that the impact of such dissatisfaction may not only affect the company's productivity but also may end up in a separation between the married couples. So it would be the responsibility of the management to think about the policy that an organisation have with respect to Glass Ceiling before deciding on whether to recruit married couples.

### **A Rational Perspective For Glass Ceiling**

Can this phenomenon be viewed on a rational perspective? A perspective where the appraisers, interviewers and other decision making authorities are placed out of their human errors and considered to have been made an effective decision. To supplement this argument, female employees have to be considered less dominative and less effective than their male counterparts at least in certain areas of managing a business concern. If so why does it happen? As explained earlier with respect to various research studies, it is undoubtful that basically women are equally competent to men in all areas. So the change that happens to male is from his experience and exposure he gets for his development. The interviewers who consider women as less competent for a job also restrict them from getting an opportunity to learn and advance. This restriction which is made initially in the career of a woman would have an effect in their future also which would lead to further rejections.

An outcome of a study states that when females exhibited the same career advancing behaviors as male managers, they still earned less money and were offered fewer career progressing transfer opportunities (Marlowe, 1996). Taking it in the women's perspective, studies say that women are less interested in a career progress compared to men. In a study conducted within the above said context, women employees preferred to be in the house and care their children rather than attend career progressing workshop (Russell Madden: 2000). As mentioned in an article, the nurses in America, a profession which is the province of women and can earn even up to twenty thousand to forty thousand dollars per year, prefer part time job and want to spend their time watching their children grow. (Madden, 2000). The important aspect to be noted is that the above said job falls out of a competitive environment with male and still women care about their personal life than their career development. Does the choice a women make to have children above their career plays a role in destroying it? One study of female MBAs who took time off to have children and later returned to work found that they earned 17 percent less than a comparable group of women who experienced no break in service. The study also found that only 44% of the first group reached senior middle-management positions, while 60 percent of those who stayed on the job reached that level. (Chavez, 1995).

These decisions taken by a woman may also have an inevitable influence from their family and the society other than their own personal interest. This may vary depending upon the culture of the society they live. Japan, for example, offers little support for working mothers as only 13 percent of children under three attend day-care centre compared with 54 percent in America and 34 percent in Britain. (The Economist, 2006). Most working women are still responsible for the bulk of chores in their homes which may be one of the reason for women in a developed economy to produce just under 40 percent of official GDP (The Economist: 2006). Analyzing a sample of young full-time working men and women, one study concludes that an astounding 41 percent of the wage gap is due to the different effects of marriage and children on men's and women's careers (Budig & Paula , 2001). While men's careers and earnings are either unaffected or even

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enhanced by marriage and children, women's earnings fall about 7% for each child they have (Waldfogel, 1998).

A woman who joins a career in the initial stages may not be concentrating on it so critically as male does because of her other responsibilities in the family and other priorities. When returning back after a certain age with an idea to compete with a male in further career advancement positions, she may have to slant her inability with the concept of Glass Ceiling as they fail to understand the business challenges and politics and also the advancements in the corporate world.

## Conclusions

The only person who can help breaking the glass ceiling, is women themselves. An employer also can play a small role in supporting the women to remove such a glass and help them to climb the ladder. This would help not only the women employee but in turn the employer also by enhancing long term growth and gain more social acceptance as a study conducted last year by the World Economic Forum found a clear correlation between sex equality and GDP per head (The Economist, 2006). Irrespective of the help a women employee gets from the society or from the concerned employer, it is very much evident that the glass can be broken by the women, provided she is committed in her work and really wants to reach the top.

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