



Original Research

The gender earnings gap among pharmacists

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Abstract

Background: A gender earnings gap exists across professions. Compared with men, women earn consistently lower income levels. The determinants of wages and salaries should be explored to assess whether a gender earnings gap exists in the pharmacy profession.

Objectives: The objectives of this study were to (1) compare the responses of male and female pharmacists' earnings with human-capital stock, workers' preferences, and opinion variables and (2) assess whether the earnings determination models for male and female pharmacists yielded similar results in estimating the wage-and-salary gap through earnings projections, the influence of each explanatory variable, and gender differences in statistical significance.

Methods: Data were collected through the use of a 37-question survey mailed to registered pharmacists in South Florida, United States. Earnings functions were formulated and tested separately for male and female pharmacists using unlogged and semilog equation forms. Number of hours worked, human-capital stock, job preferences, and opinion variables were hypothesized to explain wage-and-salary differentials.

Results: The empirical evidence led to 3 major conclusions: (1) men's and women's earnings sometimes were influenced by different stimuli, and when they responded to the same variables, the effect often was different; (2) although the influence of some explanatory variables on earnings differed in the unlogged and semilog equations, the earnings projections derived from both equation forms for male and female pharmacists were remarkably similar and yielded nearly identical male-female earnings ratios; and (3) controlling for number of hours worked, human-capital stock, job preferences, and opinion variables reduced the initial unadjusted male-female earnings ratios only slightly, which pointed toward the presence of gender bias.

Conclusion: After controlling for human-capital stock, job-related characteristics, and opinion variables, male pharmacists continued to earn higher income levels than female pharmacists.

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Introduction

Beyond the obvious effect of number of hours worked, wages and salaries are determined by the interaction of 3 sets of forces: human-capital stock, workers' preferences, and employers' characteristics. All 3 sets, as well as the amount of labor supplied, are largely influenced by gender. When one is confronted with the abundant evidence that, compared with men, women earn consistently lower income levels,¹⁻⁷ one would expect that one or more of these 3 sets of forces provide the underlying reasons for the differential.

Most studies comparing earnings and other labor outcomes of men and women do so across occupations, which introduces unwanted stochastic disturbances (ie, greater statistical error terms diminishing goodness of fit) brought about by differences in training, employment structure, wage rate distributions, etc, that taint the effect of explanatory variables on wages and salaries.⁸ Even studies focusing on a single profession attempt to analyze, more often than not, data sets that extend nationwide and sometimes internationally; consequently, unmeasured variations in regional income, prices, tax structures, cultural practices and customs, and so on may wrongly attribute gender earnings differentials to variables specified in a model when, in fact, they originate in uncontrolled variables.

A far more methodologically rigorous approach to probing potentially different responses by men and women to labor market conditions, in terms of human-capital stock, individual preferences, and gender bias, calls for narrowing the comparison scope to persons with the same training performing the same range of activities in the same place at the same time.⁹ This article sought to pursue such analytical approach by formulating and estimating, using ordinary least squares, male and female pharmacists' earnings functions from a culturally diverse group of practitioners living in a relatively small area. Two sets of parameters were estimated for each gender—a set explaining variations in wage-and-salary earnings and a set explaining variations in the natural logarithm of wage-and-salary earnings.

Normally, income studies use the semilog version to reduce the right-side skew (ie, presence of outliers) innate to most wage-and-salary distributions.¹⁰⁻¹² This procedure forces analysts to interpret the effects of the explanatory variables on the wage gap by observing relative differences in earnings rather than absolute amounts, although

absolute amounts may be obtained via antilog conversion. The data set developed for this study had an approximately normal earnings distribution, so a second objective was to estimate and compare earnings functions for each gender alternatively using unlogged and logged values of earnings as the dependent variable. The question raised here was whether the 2 formulations yielded similar results estimating the wage-and-salary gap through earnings projections, the influence of each explanatory variable, and gender differences in statistical significance.

Determinants of wage-and-salary earnings

Variation in human-capital stock is the most frequently used line of reasoning explaining gender differences in pay. Skills acquired through formal education, professional experience, and other forms of investment generate a stock of capital that increases workers' productivity and becomes appealing to employers. Because men and women play different roles dictated by society, they often end up with heterogeneous levels of commitment in the career and home spheres of their lives, whereby women assume the primary child care and household responsibilities. Compared with men, they work fewer hours in the marketplace, are more likely to work part time, interrupt their careers more often, and invest less in themselves in the areas of on-the-job training and acquisition of knowledge beyond formal education.¹³⁻¹⁷ Less human-capital stock often translates into lower wages and salaries, so the observed long-term gender earnings gap may be at least partly attributed to the relatively lower marginal costs of human-capital production experienced by men.¹⁸

Women's socially defined disproportionate involvement with child care and household responsibilities also leads them to develop different sets of tastes and preferences for job characteristics than those exhibited by men.^{19,20} Men usually seek jobs in which pecuniary factors such as pay, overtime hours, and advancement opportunities are emphasized, whereas women tend to prefer jobs with flexible schedules, high levels of job satisfaction, and other nonpecuniary advantages that act as compensating differentials.^{12,21,22} Thus, a portion of the commonly observed long-term gender disparities in pay may be attributed to compensating differentials for working conditions and jobs generally preferred by women.

The third set of forces configuring gender wage-and-salary earnings differentials has to do

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