Pay Equity in Nonprofit Organizations: Making Women's Work Visible

Ronnie J. Steinberg and Jerry A. Jacobs

Society has entrusted many vital functions to organizations in the nonprofit sector: the health of citizens; the care of children; the provision of aid to disaster victims; the stewardship of the most esteemed cultural institutions; and the maintenance of voluntary organizations that constitute much of the fabric of American communities. While much of the work performed in nonprofit organizations elicits the respect of the community, it does not yield remuneration commensurate with the social importance of the tasks and the skills of the service providers. This chapter suggests that many tasks performed in nonprofit settings are economically devalued in society because the skills the jobs require are taken for granted and treated as invisible. We believe this is the result, in no small part, of the fact that the work is often performed by women and
that the skills and talents required of service workers are often assumed to be natural attributes of women, deserving no special compensation.

**Ignoring Gender in Nonprofit Settings**

It is remarkable how little has been written on the effect of gender metaphors, ideologies, and stereotypes on the character and composition of the nonprofit sector. The fact that most nonprofit sector workers are women and that most occupations within the sector have historically been staffed by women has been insufficiently studied. This oversight is as curious as would be studying ghettos without noticing the race or the ethnicity of the people who live in them.

One prominent, full-length study of the nonprofit sector, for example, mentions women in the most cursory way and rarely for more than a sentence or two at a time—only twice in the book does a discussion of women extend to two pages, although there are more than twenty index references to women’s issues and organizations (O’Neill, 1989). The same pattern unfortunately also characterizes the authoritative *The Nonprofit Sector: A Research Handbook* (Powell, 1987), which treats women as virtually invisible. In the index, while there are five references to the women’s movement and three references to women’s organizations, there are not enough entries for *women* (and, of course, none for *gender*), nor is there an index entry for *wages or earnings*. The one table on wages, in Gabriel Rudney’s chapter, combines the earnings of men and women in the nonprofit sector, in a remarkable break from long-standing statistical conventions. Even the U.S. Bureau of Labor Statistics, in its most routine report, distinguishes men’s and women’s earnings because they differ to such a large extent. Peter Dobkin Hall’s historical overview of the nonprofit sector (Hall, 1987) is entirely consistent in maintaining women’s invisibility. From Hall, the only conclusion possible is that the only role women played in the nonprofit sector was that by a widow (Margaret Olivia Slocum Sage, also known as Mrs. Russell Sage), who was disposing of her husband’s estate. No mention is made of women’s volunteer labor in maintaining a myriad of philanthropic organizations, of women who are paid staff members in nonprofit organizations, or even of such prominent leaders as Jane Addams of the settlement house movement. Hall’s history encompasses only great men, great ideas (if penned by men), great legal precedents, great fortunes, and great checkbooks. It is no wonder that the foremost contemporary study of women volunteers is entitled *Invisible Careers* (Daniels, 1988).

Many organizational sociologists have been attracted to the study of nonprofit settings to test organizational theory. Because their principal concern has been in the relationship between organizations and their environment, they pay little attention to the gender of the actors. Labor economists examine the somewhat different issues of wage determination, primarily in comparison with for-profit firms. While the economists at least notice that women work in nonprofit settings and that the low wages of such workers are a concern that warrants careful examination, they hold that the nonprofit sector is of no distinct gender.
They attribute the low wages of workers in general in nonprofits either to their low productivity or to their preferences to work in such jobs, assuming as well that ideologies and stereotypes about gender play no role in the wage-setting process.

**Gender-neutral Explanations of the Nonprofit Sector**

Anne Preston's research is perhaps the best that has been done on wage determination in the nonprofit sector within mainstream labor economics. Using data drawn from the large, reliable, and longitudinally consistent Current Population Survey, Preston finds only a small wage penalty for women working in the nonprofit sector. The penalty has increased gradually since the 1970s, from 3 to 7 percent for women overall and from 4 to 12 percent for women professionals. She also finds that men suffer a larger wage penalty than do women for working in the nonprofit sector. In discussing her findings, she offers a “labor donation” hypothesis, reasoning that employees trade money for the psychological benefits of performing socially beneficial work (Preston, 1989, p. 442; Preston, 1990a, p. 18).

The differential Preston finds probably is less a matter of the nonprofit status of an organization than it is the type of service provided and the occupations found in nonprofit settings. Much, if not all, of the differential probably would disappear if extremely detailed controls for occupation, job title, and organizational size were introduced to the analysis. Indeed, when occupation is controlled in a reasonably detailed way—as Preston was able to do for clerical workers—the sectoral differential essentially disappears. In her analysis, a significant wage differential remains only for the extremely heterogeneous managerial and professional categories. Had she been able to introduce detailed controls for occupation and for the gender composition of occupation among the managerial and professional workers in her sample, the differential she carefully documented likely would have been less. Sociological research on gender inequality in labor markets routinely introduces detailed measures of occupation and occupational gender composition, because there is substantial evidence that occupational segregation is a primary determinant of the gender gap in wages (for example, England, Farkas, Kilbourne, and Dou, 1988). Thus, the productivity and “labor donation” hypotheses might be moot, because little differential would remain.

However, assuming for the sake of argument that there is a nonprofit wage differential, consider the two leading explanations economists have considered—lower productivity and workers’ preferences for socially beneficial work. Productivity in the service sector is notoriously hard to measure (Block, 1990; Kanter and Summers, 1987). Do social workers become twice as productive when their client loads are doubled? Do college professors teach more productively when their class size is increased by five or ten students? Clearly, the quality of the interaction is part of the service rendered, and measuring the number of interactions is insufficient to capture the productivity of services that typify much of the nonprofit sector.

But this is not the approach to productivity that labor
economists use. Instead, what they have in mind is that nonprofit workers have fewer skills and desirable work attributes. To her credit, Preston (1989) is rightly skeptical of the explanation, but without comprehensive measures in her data, she is unable to completely rule out the possibility. And what if wages in a sector were so low that it attracted workers that were somewhat less talented, on average, than those who sought more attractive jobs? Labor economists would consider the case closed, but we do not. For us, only half the story has been explored. For one thing, no one has examined why nonprofit groups are unable to offer more attractive wages to their best people in the first place. Instead, the analysis focuses only on the response of worker to jobs with unattractive compensation packages. The structure and character of the labor market is assumed; employee productivity and preferences are the object of scrutiny. For another, measures of productivity and of skill are socially constructed and reflect the distribution of power in the labor market (Block, 1990; Steinberg, 1990). Characteristics found in disproportionately high frequencies in female service work, such as the human relations skills associated with client work, psychosocial effort, and responsibility for clients' well-being, are notoriously absent from job evaluation systems used to build and legitimate compensation practices in all sectors of the economy (Steinberg and Walter, 1992).

The other leading explanation that labor economists seriously consider is that of preferences. This argument has two strands—compensating differentials and workers' preferences. The notion of compensating differentials con-

siders the relationship between workplace amenities and compensation, holding that wage differentials among otherwise equivalent workers are typically offset by non-pecuniary rewards. In other words, some workers must be paid a wage premium for working in undesirable settings, while others accept lower wages in return for working in attractive, pleasant, or otherwise rewarding jobs. Applied to the nonprofit literature, the argument is that nonprofits offer better working conditions to compensate for lower wages. The principal difficulty with the explanation, as with preference explanations in general, is the lack of evidence. Preston (1989, 1990a, 1990b) has creatively mined two sets of available data in this area, but she was able to identify only twenty-three women working in nonprofit settings in the 1977 Quality of Employment Survey and only fifty-two in the 1980 Survey of Job Characteristics. In addition to the small sample size, Preston considered only a limited set of working conditions, finding that nonprofit jobs have less repetition, more skills development, and more flexible schedules than for-profit jobs. Neither the sample size nor the range of job characteristics provide adequate information upon which to base valid conclusions about the nature of working conditions in the nonprofit sector. Moreover, what little evidence she has managed to provide does not make a compelling case in favor of the compensating differentials argument. By contrast, data from a survey specifically designed to capture a broad range of workplace conditions in a large government agency reveals that female-dominated occupations (many of which are also found in nonprofit settings) have
about as many undesirable working conditions associated with them as do male-dominated occupations, including such characteristics as cleaning other people’s dirt, working with difficult clients, and telling people things that they do not want to hear (Jacobs and Steinberg, 1990). The findings were confirmed in the results of focus group interviews involving nearly seventy-five registered nurses and allied health professionals in nonprofit hospitals and nursing homes conducted by Steinberg between 1990 and 1993.

A further difficulty with the compensating differentials thesis is that it fails to take into account the high rate of turnover in many nonprofit jobs. For example, recent data indicate that teachers in the United States have high rates of turnover, with nonprofit educational institutions experiencing twice the turnover rate of public schools (Choy, Medrich, and Henke, 1992). In another example, a study of registered nurses in Ontario, Canada, found that nurses were quitting hospitals because of the undesirable working conditions, excessive work load, and job stress (Armstrong, 1990). Armstrong’s findings are consistent with the general literature on the shortage of registered nurses: plenty of nurses are graduating from schools and entering the nursing profession, but the way the work is organized leads to high exit rates, especially among hospital nurses. Turnover is especially problematic in the service sector, in that productivity is often enhanced as a function of an enduring relationship between the service provider and the recipient. For example, day-care centers with high turnover will not be as attractive to clients or as productive as, say, other centers with less turnover, other things being equal, because turnover undermines the relationship between teacher and student. If nonprofit jobs were so psychologically satisfying, why do workers leave so often? And, why have unionization rates among nonprofit workers been high relative to for-profit workers in the post–World War II period (Preston, 1989)? In all likelihood, the issue is not the desire of workers in nonprofits to make “labor donations” that keeps wages down but rather the inability of nonprofit organizations to raise their wages sufficiently to pay adequately for the work performed and thus to hold on to their valued and experienced employees.

One final wrinkle on the compensating differentials explanation is Preston’s suggestion (1990b, p. 568) that “the low wages in the nonprofit sector relative to the for-profit sector are to some extent mitigated by the greater equality between male and female wages within the nonprofit sector.” Here the suggestion is that greater gender equality in nonprofit settings is an attraction for women and substitutes for some of women’s low wages. But no one has ever asked women whether they would prefer to work near men who earn relatively low wages (instead of making more money themselves). Furthermore, what little research there is on social comparisons in the workplace suggests that it is relatively rare for comparisons of wages to be made across gender-segregated occupations and job families (see Majors, 1989, for a summary of the research). Because the labor market is so segregated—at last count, more than 70 percent of women would have to change jobs to be distributed as men are (Tomaskovic-Devey,
1993)—it is highly unlikely that women in the nonprofit sector would compare themselves to men in different jobs and at different levels of the organization.

Another argument used by labor economists focuses more directly on employees’ preferences and less on the attributes of the jobs. The argument suggests that nonprofit workers are willing to accept lower wages because they place such a high value on working in a socially beneficial setting. They make, in economists’ terms, a labor donation. Unfortunately, this explanation falls short as well. First, the conclusion is inferred from discounting other explanations, not from direct evidence (see, for example, Preston, 1989). Second, in order to account for the concentration of women in the nonprofit sector, the argument would have to assume that women are less interested in money than men. Yet survey data suggest that working women rank income as high as do men on a list of factors in choosing a job (as reviewed in Jacobs and Steinberg, 1990; see also Schultz, 1990). Third, the preferences explanations in general assume more stability in preferences than actually exists. However, data on career aspirations show substantial inconsistency between individuals’ preferences and jobs actually pursued—one study found that preference was a poor predictor of occupational behavior as little as ten years later (Jacobs, 1989). While no tests of the relationship have been specifically made among nonprofit workers, it is logical to assume that the finding would hold for these workers as well. Fourth, the preferences explanation does not account for the high turnover of workers in nonprofit settings.

Fifth, the approach ignores the relationship between opportunity and preferences. Preferences are not attributes that spring into individuals’ heads at one moment and remain fixed forevermore. Rather, they are actively shaped and reshaped throughout prelabor market and labor market years by many factors and contingencies, a good many of which emerge from labor market experience (Gerson, 1985; Schultz, 1990). Those who work in historically female jobs and, by extension, in historically female sectors, typically do not “choose” to work for lower wages but are constrained to accept jobs that pay in terms of a wage structure that is related to gender and that devalues women (Reskin, personal communication to author, 1992).

Finally, on its face, the idea of a labor donation implies that nonprofit employees are passive and indifferent to the low wages that they receive relative to the work that they perform. Such explanations, based as they are on the logic of economic equations, are too far removed from actual labor relations and are out of touch with the significant organizing drives among allied health professionals and nurses in the hospital sector and among teachers and clerical workers at universities, to name only a few of the most visible efforts. Such initiatives by nonmanagerial workers in the nonprofit sector must be considered significant facets of nonprofit organizations in order to see their character realistically and to understand the everyday practices that sustain the lower wages of nonprofit-sector employees relative to their for-profit counterparts.

This discussion is designed to raise questions regarding the preferences and productivity explanations that have
WOMEN AND POWER IN THE NONPROFIT SECTOR

been offered. To understand the wage differentials and labor market dynamics in the nonprofit sector, it is necessary to include an analysis of both supply and demand. A complete analysis requires an understanding of the nonprofit sector as a market also shaped by “historic customs, prejudices, and ideologies” (Feldberg, 1986, p. 171) and in which there is no pure “economics” free of gender hierarchies (Phillips and Taylor, 1980, pp. 80–81; Steinberg 1990, p. 454).

There is an alternative explanation of the low wages of the nonprofit sector, one that reflects the role of gender in mediating labor market transactions and in artificially depressing the wages of work historically performed by and associated with women. In other words, the low level of wages paid in this sector is, in no small part, a function not only of the devaluation of women’s work in the sector but also the result of the devaluation of the nonprofit sector because it is heavily populated by women.

To our knowledge, this chapter represents the first attempt to develop an understanding of the ways in which gender informs the character and contours of the nonprofit sector. As such, we view our efforts as a starting point. We hope to stimulate further consideration of our thesis and further inquiry based on it. Let us turn, then, to a discussion of the gendered character of the nonprofit sector.

The Gendered Nature of the Nonprofit Sector

The discussion begins with a disclaimer and a definition. The role of gender varies within the nonprofit sector, a variation that this chapter provides insufficient space to explore systematically. For example, consider the four major industrial subsectors that constitute the nonprofit sector: health, education, social services, and religion. Some variations in the occupations are noteworthy. At one extreme, the occupational distributions for health and religion are characterized by a relatively small, male-dominated elite and a large pool of women at lower levels of the hierarchy. At the other extreme, social services offers a flatter distribution of occupations and an organizational hierarchy more thoroughly dominated by women. Education falls somewhere in between. This discussion of the gendered character of the nonprofit sector of necessity will be insufficiently attentive to variations among nonprofit settings.

In terms of defining the nonprofit sector, the issue of what constitutes the nonprofit sector and what distinguishes it from the for-profit sector has been one of the important issues about nonprofits addressed in the 1980s and 1990s. Does the legal form of the organization translate into a generic set of behaviors and characteristics (DiMaggio and Anheier, 1990, pp. 147–153; Clarke and Estes, 1992; Powell and Friedkin, 1987)? The consensus, at least among sociologists, is that “the quest . . . is problematic” and the differences are overrated (DiMaggio and Anheier, 1990, p. 149; Clarke and Estes, 1992). One difference that has been noted is that nonprofit organizations tend to be “service organizations” and “labor-intensive” (Rudney, 1987, p. 57). Of course, the distinctions are only tendencies and averages, in that an increasing number of
for-profit firms provide labor-intensive services. Nonetheless, Rudney’s characterization of the nonprofit sector as service oriented and labor-intensive is accurate, and we add to it the occupational distribution that includes a disproportionate number of historically female jobs. In other words, the typical nonprofit employee is a woman. Thus, here the legal status that privileges the nonprofit sector and that is so often used to define its parameters matters less than the nature of the product and its occupational composition.

Nonprofit organizations are “gendered” institutions. Gender means not only a social category used for making distinctions between men and women and between masculinity and femininity but also a basis by which people order their “activities, practices, and social structures in terms of differentiations between women and men” (Acker, 1992, p. 567). Gender is not only the basis upon which society creates distinctions among people, ideas, and symbols but also an extremely significant basis upon which society creates systems of domination and subordination, of high and low valuation, of power and powerlessness.

At the level of the individual, as suggested by West and Zimmerman (1987), gender is an ongoing accomplishment of constructing an appropriate identity that involves engaging in appropriate behavior and demeanor for varying interactions and institutional settings (Acker, 1992, p. 568). Even at the institutional level, it starts with appropriate male and female behavior and interaction between individuals as they conduct their everyday business in organ-
sector are examined here: the sex of the typical worker, the character of jobs and occupations, the hierarchies within the nonprofit sector, and the metaphors that stereotype the nonprofit sector as a whole. All contribute to the subordination of the nonprofit sector relative to the for-profit sector and to the devaluation of the work performed within its parameters.

At the simplest level, the nonprofit sector is gendered in that the overwhelming majority of its workers are female. In 1987, 68.3 percent of all nonprofit employees were female, with the heaviest concentration in health care (Hodgkinson and Weitzman, 1989, p. 148). Indeed, the typical nonprofit worker is not a philanthropist, board member, or foundation executive, as might be inferred from the disproportionate attention given to women who hold these positions, even in the academic literature that does address women in the nonprofit sector (Ostrander, 1984; Daniels, 1988; Odendahl, 1990). Nor is she likely to be a minister, physician, lawyer, or school administrator, although women are moving into such occupations in unprecedented numbers. Instead, if she is a professional, she is likely to be a nurse, social worker, teacher, or librarian. If not, she is likely to be a clerical worker, housekeeper, or food service worker.

A second way the nonprofit sector is gendered is that it is characterized by organizations in which a small male elite holds the power and sets the agenda for an overwhelmingly female pool of employees and volunteers. McCarthy (1991) has noted this phenomenon in American philanthropy and art, and Wallace (1992; see also Barthel, 1992) has noted the phenomenon in religion, suggesting that it is a “system in which male gender is the necessary (but not sufficient) characteristic of those who assume top leadership positions” (as quoted in Lumnis, 1992, p. 581). At the same time, perhaps with the exception of religious institutions, where male leadership is divinely sanctioned (Schneiders, 1991, as cited in Lumnis, 1992, p. 582), women appear to be having a relatively easier time moving into positions of leadership in nonprofit organizations than in for-profit organizations.

In certain respects, women are breaking down barriers as they enter historically male professions and nonprofit managerial positions such as hospital and school administration. Yet even here, the gendered character of the sector can, in part, explain their success. As Shaffer (1980) has shown for the manufacturing sector, it is easier for women to enter managerial jobs in organizations in which a large number of women already work. So, given the large numbers of women who already work in the nonprofit sector, it is easier for women to “fit,” even in new organizational schemes. The explanation is also consistent with economist Barbara Bergmann’s “segregation code” (1986, pp. 114–116). Based on her investigation of several corporations, Bergmann noted a pattern consistent with a taboo on women supervising men. Thus, it is easier for women to enter professional and managerial jobs in sectors in which they will predominately supervise women.

One remarkable paradox of nonprofits, then, is that, even as women enter the professional and managerial ranks, a male-dominated hierarchy represents to society a
type of work overwhelmingly populated by women. Further research on how male elites are able to define and advance the female-typed work of the nonprofits would be helpful. One consequence, for the managers, of working in a feminized sector is the devaluation of wages paid for their positions relative to such positions in for-profit organizations. As Treiman and Hartmann (1981, p. 28) note in a book published by the National Academy of Sciences, *Women, Work, and Wages*, “The more an occupation is dominated by women, the less it pays.” By extension, the more an occupation is embedded in a set of occupations dominated by women, the lower the entire wage structure. The pattern and the explanation remain untested.

Third, the nonprofit sector is also gendered in the distribution of occupations found within it. As Acker has argued, the construct of a job implies a particular relationship to home life and work life and thus a gender division of labor. Is there an expectation, built into the design of the job, for example, that the incumbent’s primary time and emotional commitment is to home and family or to the workplace? Is there the expectation, to cite another example, that the incumbent’s primary commitment to the family is as breadwinner or as care giver? The gender division of labor is not just distributed among individuals, where, on average, men primarily assume the role of breadwinners and women, on average, the role of care givers. Independent of the gender of the actual incumbent, ideas, stereotypes, and assumptions premised on the gender division of labor are embedded in how jobs are designed, in which people are selected to fill positions, in what is noticed about job content, and in the structure of compensation (Steinberg, 1992, p. 387). As soon as one gender or the other predominates in a position, the process of gender stereotyping begins (Reskin and Roos, 1990).

Both managers and nurses are, for instance, expected to work overtime if necessary. Yet the symbols, ideologies, and images invoked to justify the overtime expected in each case varies in ways that implicate the gender of the typical incumbent. For managers, their primary commitment to the work organization as a leader is taken for granted. Pointing to a “masculine ethic,” Kanter (1977) describes management work as involving a tough-minded orientation to problem solving and to the commitment, as a leader, to be there to get the job done whenever necessary. A nurse, on the other hand, works overtime, not for the benefit of the organization but for the benefit of the client. The nurse’s ethical responsibility to the client is invoked. The nurse’s care-giving responsibilities are implicated. These are seemingly “natural” extensions of the gender division of labor and grow out of the nurse’s role as nurturer.

Indeed, images of the registered nurse are replete with gender stereotypes. In focus groups conducted by one of the authors to determine the content of nursing work, one nurse, a man, said that it would be necessary to change the title of the job and the rate of pay to interest more men in the field. Images of nursing are rooted in nineteenth-century assumptions about voluntarism and charity and in the cult of domesticity that suggested that women should engage in good works (Melosh, 1982; Remick,
1984). They are rooted in “naturalism,” the assumption that the nurturing and care-giving roles associated with nursing are natural extensions of feminine family roles. Nursing was subject to what has been called the Nightingale ideology, which stresses the importance of “character” in the development of a good nurse (Gray, 1989, p. 139). Nursing, according to historian Susan Reverby (1987), was not only a livelihood but a badge of virtue.

The image of nursing as grounded in good character and charitable impulses continues today, despite increasingly sophisticated medical technology, medical specialization, the increasing seriousness of patients’ conditions in hospitals, and the emphasis on technical training and credentials in nursing. Even in the nineteenth century, the emphasis on virtue blocked out the professional ambitions underlying Florence Nightingale’s reform of nursing. According to Growe, “a division of labour based on gender presented no ideological problems for women living in nineteenth-century England; . . . there was little overlap between the medical arena, under the exclusive rule of men, and the separate but equal department of nursing services, governed by women. . . . The essence of Nightingale’s nursing reform was to take all power over nursing out of the hands of male physicians and administrators and put it into the hands of one female trained head. . . . Nightingale . . . did not foresee her two-stream separate-but-equal hierarchy collapsing into one” (1991, pp. 47, 50).

Linking the skills and responsibilities of nursing to voluntarism confuses job content with the stereotypical attributes of the typical incumbent. Because inherent at-

tributes are not seen as acquired skills (at least in women), women are not seen as needing compensation for the work. Because women’s work is not seen as productive, it is seen as requiring few skills. As Remick also points out (1984, p. 90), voluntarism is embedded in the wage structure of nurses in that “rewards for nurses were to come in the form of good feelings for having been helpful.” By associating content with the characteristics of the gender of the incumbent, that content is rendered noncompensable. Doing so ignores job requirements that include sophisticated knowledge of complex technical, communication, and human relations skills. As a result, nurses are compensated unfairly.

A fourth way in which the nonprofit sector is gendered involves the images, stereotypes, ideologies, and metaphors used to describe the work and the values invoked to justify its low wage structure relative to the for-profit sector. The dimension involves a comparison of the nonprofit sector with the for-profit sector. It concerns as well metaphorically invoking the gender division of labor, in which the for-profit sector is the sphere of production of commodities and material goods and the nonprofit sector is the sphere of “reproduction”; previously unpaid work has been shifted to paid work but continues to be viewed as less productive and as supportive of the sphere of production. The fact that it is now paid service work does not render it any less gendered in its origins and its valuation. As Acker (1992, p. 567) puts it, “In industrial capitalistic societies, production is privileged over reproduction. Business and industry are seen as essential and the source of
well-being and wealth, while children, child care, elder care, and education are viewed as secondary and wealth consuming."

Thus, relative to the for-profit sector, the images associated with the nonprofit sector project a feminine cast. The missions of nonprofit organizations are "soft"—encompassing the provision of services, a preoccupation with moral and ethical concerns, producing beauty, helping people. They must, at the very least, give the appearance that such hard-nosed concerns as making money are secondary to service provision or to the maintenance of cultural and moral standards.

By contrast, the image of the businessman and the stereotypes associated with the role conjure associations with masculinity. Kanter (1977) refers to the for-profit manager as a tough-minded problem solver, a subordinator of emotional involvement to task accomplishment, and an abstract reasoner. The business leader is regularly referred to in popular periodicals in terms characterized by Connell (1987) as "hegemonic masculinity"—as Acker says, "aggressive, goal oriented, competitive, efficient, but rarely as supportive, kind, and caring" (1992, p. 568). In compensation systems, the stereotypes translate into skills and become the universal and seemingly gender-neutral standard against which all work is assessed and valued for the purposes of compensation (Steinberg, April 1990). Accordingly, women in health care who must use extensive psychosocial skills, and men and women religious workers, who routinely show great empathy and understanding, score lower when evaluated against the business standards, thus justifying their lower pay. If added to this is an ideology in which making money is subordinate to doing good, the result is little public support when, for example, nurses go out on strike for higher wages and thus abandon their clients.

Further, the values used to describe the nonprofit sector—"voluntarism, pluralism, altruism" (DiMaggio and Anheier, 1990, p. 153)—are also associated with the feminine. So is a concern with charity, service, and good works (Daniels, 1992). A significant portion of nonprofit work is still carried out by volunteers. Wuthnow (1991) found that 45 percent of those he surveyed work as volunteers for about five hours a week. But amazing as it may seem, Wuthnow fails to mention that the majority of those who perform service-oriented volunteer work are women. Moreover, men and women who participate in voluntary groups do so in different types of voluntary groups (Smith-Lovin and McPherson, 1986).

Because gendered ideologies and processes are most effective in maintaining the subordination of the feminine when they are invisible (Acker, 1989; Steinberg, 1990; Steinberg, 1992), it is difficult to illustrate how they operate in everyday social practices in the absence of conflict. (For a similar argument about power, see Lukes, 1974, and Gaventa, 1980.) It is easier, however, to uncover the empirical examples of the gendered character of everyday practices when they are challenged in public settings.

As a society, Americans appear to value culturally activities associated with the nonprofit sector when they are performed as unpaid labor by volunteers who are mem-
bers of a community. As a society, Americans also view such activities, historically and culturally, as associated with women, who have freed men to pursue economic gain for themselves and their families. In other words, the activities are regarded as socially productive but not necessarily as economically productive, both because of where they have been performed and because of who performs them. Not surprisingly, then, when these activities become paid work, those who perform the work are paid relatively low wages.

Gender and Wage Determination in the Nonprofit Sector

The cost of labor is by far the major expense for nonprofit organizations, which are labor-intensive organizations. In 1987, labor costs were 53.1 percent of total costs, down slightly from 58 percent in 1980 (Rudney, 1987; Hodgkinson and Weitzman, 1989, p. 1). If nonprofit organizations had to pay the average wage of men in the for-profit sector, they would have dramatically higher wage costs. The labor-intensive character of nonprofit organizations has made it difficult for them to contain costs. Yet cost containment is crucial, because the fees they charge rarely cover the cost of services (Kanter and Summers, 1987; Powell and Friedkin, 1987).

There are several additional incentives for keeping labor costs down: greater discretion over where to spend excess funds, less need to raise money, and higher relative salaries for management. Preston has noted, for example, that in the nonprofit sector, “Profits can be earned, how-

ever, they may not be distributed to those in control [as profits]” (Preston, 1989, p. 441). “Managers may,” she continues, “have a certain amount of discretion over where profits are channeled in the organization.” The multiple motivations for cost containment result in opposition to labor’s demands every bit as forceful as in the for-profit sector. In the area of labor relations, then, distinction between nonprofit and for-profit firms tends to be overrated. Indeed, one of us has found, in fifteen years of direct experience in assisting in struggles to gain higher wages for nurses, clerical workers, teachers, and other incumbents of historically female occupations, that the efforts of women workers to revalue their work is met with staunch, and often effective, resistance. At best, the wage adjustments received fall far short of what the wages would be if the content of the work was valued at the rate paid for jobs held by white men (Steinberg, 1991). In this respect, there is a commonality in the experiences of the for-profit and nonprofit sectors.

Moreover, in recent years, nonprofit organizations have increasingly borrowed their compensation practices from those developed for for-profit firms. The very practices they are borrowing are replete with assumptions about gender.

A Case Study of Pay Equity in a Nonprofit Setting

On the surface, the case of the Ontario Nurses Association (ONA) and three nonprofit hospitals in Ontario, Canada—North York, Women’s College, and Sunnybrook—might
seem to be a routine labor-management conflict over wages. (Steinberg, the senior author of this chapter, served as a consultant to the ONA in this case.) The ONA, an amalgamated union representing more than thirty-five thousand hospital workers, bargained for higher wages for its nurses, while the Ontario Hospital Association (OHA), the centralized association representing these three as well as more than 100 additional nonprofit hospitals, claimed that the nurses were being paid according to the recommendations of an independent consulting group of compensation professionals. A closer examination, however, reveals that the central issue was the value of professional service work traditionally performed by women and the ability of traditional job evaluation systems imported from for-profit companies to capture the range and complexity of nurses’ work.

Most large organizations employ standardized systems for evaluating the contributions jobs make to the overall performance of the organization. While economists maintain that the market sets wages for jobs, most organizations prescribe specific salary ranges for jobs that reflect both external market competitiveness and internal equity vis-à-vis other jobs within the organization. The job evaluation systems helped give impetus to the movement for comparable worth, which maintains that such systems need to be purged of gender bias. Comparable worth holds that jobs of equal contribution to the organization should be paid the same amount.

Comparable worth policies are more comprehensive in the Canadian province of Ontario than in the United States, because specific legislation prohibits wage discrimination on the basis of sex and because that legislation requires firms to be proactive in demonstrating that their pay systems are free of gender bias. Thus, in Ontario, government action helped to disseminate the practice of job evaluation to the nonprofit sector. This legislation prompted OHA to solicit the services of a management consulting firm to implement a hospitalwide job evaluation exercise for use among all its member hospitals. The OHA unilaterally chose a job evaluation system—the Stevenson, Kellogg, Ernst, and Whinney (SKEW) system—although the legislation explicitly required joint selection of an evaluation system when employees were represented by unions. Subsequent to its selection of the system, OHA convinced several unions to agree to use it, making some cosmetic changes to its structure. One union, ONA, refused. ONA feared that the system would undervalue the historically female professional, clinical, and service-provider jobs in the hospital setting.

The complaint of ONA, beyond the bad-faith bargaining engaged in by the hospital association, was that OHA had sought a dated system drenched with gender bias in the guise of ridding gender inequity from hospital compensation. The bias would mean that key skills, responsibilities, and undesirable features of the work of jobs represented by ONA would be overlooked and thus not compensated relative to the content of hospital administrative and managerial work. ONA based these conclusions on its own assessment and assessments by expert consultants of SKEW in light of a growing body of scholarship on gender bias
in job evaluation (see Steinberg, April 1990, for a discussion of the literature and a fuller discussion of the difficulties with the system).

Sexist assumptions about gender and the labor market were built into job evaluation systems, in large measure because they were the predominant views of the appropriate role of women in the labor market during the 1940s and 1950s, when most of the current systems in use were developed. Detailed historical research has shown the essential continuity of the systems over time, despite the occasional rephrasing of the concepts and measures (Steinberg, 1992). The early job evaluation systems chose factors and factor weights to best reproduce an existing wage hierarchy, including lower wages for historically female work (Treiman, 1979; Schwab, 1985). This method of constructing job evaluations assured that characteristics differentially associated with historically female jobs would not be treated as valuable.

So the issue in the Ontario controversy centered on the value placed on different types of work and the range of skills compensated. Job evaluation rates each job on a number of content dimensions. Each dimension is given a weight, and the scores of each job are totaled. The points allotted to each job are then used to allocate compensation to each job evaluated. The pay of jobs not included in the evaluation is pegged to those in the system. Any skill or responsibility not covered is not compensated. Thus, making a case for including in job evaluations the broadest range of skills and responsibilities becomes of paramount concern in arguing for higher points and thus higher wages. Not surprisingly, the union made the case that the SKEW system ignored important responsibilities and skills performed by nurses. They argued for more attention to such often-ignored skills as human relations, communication, specific task capabilities, and record keeping. Moreover, the union maintained that there was little recognition of the work hazards common in the hospital setting: needle sticks, the risk of infection, and the exposure to dangerous and infected substances. Traditional job evaluations focus on the undesirable working conditions generally associated with blue-collar, male-dominated occupations, if they acknowledge working conditions at all, and consequently the working conditions that women confront on the job rarely factor into their compensation (Jacobs and Steinberg, 1990).

Perhaps the most limiting factor in the SKEW system was the great emphasis placed on supervisory responsibility. No professional job can get more than five points for responsibility (on a scale of one to eight) unless the position includes management skills. It is particularly ironic that in a hospital setting, job evaluation tends to emphasize formal responsibility over actual responsibility. Thus, if a nurse must decide to initiate a life-saving procedure, the ultimate formal responsibility lies with a doctor who might not be present, yet most job evaluation systems give responsibility points to the doctor and not the nurse. The SKEW system also rates nurses low on initiative (because of the formal responsibility of the doctor), on effect of results (because the consequences of error are not associated with financial solvency but only with life or death),

106

PAY EQUITY IN NONPROFIT ORGANIZATIONS

107
and moderately low on technical skills (because of nursing’s traditional association with vocational education).

The managerial bias reflects the fact that job evaluation systems were designed to measure managerial positions in private-sector manufacturing jobs or in other for-profit administrative contexts (Shils, 1972). In a review of the most widely used evaluation systems on the contemporary market, Treiman and Hartmann (1981) observe a lack of fit between the categories of work on which job evaluation systems were developed and the types of technical and service-provider work characteristic of the labor market in the late twentieth century.

Fourth, in unilaterally carrying out the actual evaluation of jobs at North York Hospital, only managerial employees were involved. Ironically, but not surprisingly, management rated its own jobs higher than did the consultant who rated the same jobs. Management also rated the nursing jobs consistently lower than the consultants did. This illustrates that, in conducting a pay equity study initiated to redress the legislatively recognized undervaluation of female wages, management attempted to SKew the compensation system further in its favor, perhaps as a way to rectify the historical erosion of management salaries vis-à-vis professional jobs during the 1970s and 1980s.

Negotiations broke down, and a case was pressed against the three representative hospitals of OHA before the Ontario Pay Equity Tribunal, an administrative court established by the legislation, in late 1989. After almost two years of testimony (with more than fifty days of testimony just by experts presented by ONA), the tribunal found in favor of the nurses’ union, tracing in a detailed fifty-eight-page majority decision the ways in which the SKew system was not inclusive of the content of the job of registered nurse. The tribunal required that a system value work in relation to the mission or objective of the organization, in this case in relation to the obligation of a hospital to provide patients with high quality and technically competent care. It further required the parties, on the basis of its detailed guidelines about the inadequacies of SKew, to return to the bargaining table, jointly decide on an evaluation system, and determine how undervalued the work of a registered nurse was.

Although the parties were required to offer a modified job evaluation system within sixty days, only ONA did so. OHA responded with some hand-edited, cosmetic changes to its system. Thus began about ten months of deliberations between OHA and ONA, both of which signed a memorandum of agreement on June 3, 1993. The agreement covers not only the three hospitals against which the case was originally brought but also more than 100 other hospitals represented by OHA. It provides a wage increase of $1.13 per hour for all registered nurses, phased in until January 1, 1996. It also provides a retroactive payment of $4,100 to registered nurses for the period of 1990 to 1993, during which the dispute was being resolved, to be paid in three sequential pay periods.

While the adjustments seem high, they must be assessed in the context of what was traded to obtain them. First, neither OHA or ONA would agree to a joint system of job evaluation, regardless of the tribunal’s order. Instead,
each evaluated a set of agreed-upon jobs, using a joint questionnaire for collecting information about job content but using different evaluation systems. Second, each came to the table with a different male job that it found to be equivalent to registered nurse. ONA selected a middle-level administrative job in the hope of establishing a precedent that registered nurse positions are comparable in hospitals to certain middle-management positions. OHA came to the table with a male professional position—senior dialysis technician—for basing wage adjustments. In negotiation, OHA would not budge, and the professional position selected was the male job. Thus, no precedent was set by any Ontario nonprofit hospital in relation to the value of historically female professional, clinical, and service-provider work and its comparison to managerial work.

The actual wage adjustments also fell far short of what the nurses would have received if their salaries were fully adjusted, even to the level of the professional comparison agreed upon in collective bargaining. The difference in pay was $12,000 per year, about five times the amount that actual adjustment of $1.13 per hour will yield. And $4,100 in back pay falls far short of the $36,000 in lost wages found to obtain for registered nurses on the basis of a jointly agreed-upon male comparison. Thus, in every respect, the outcome was highly imbalanced in favor of hospital management.

One final piece of information is worth noting. The case took more than two years to complete and then almost another year to negotiate. It cost each party almost $2 million. Yet both sides did not suffer the same financial burden in taking the case through extensive deliberations. The provincial government of Canada provides OHA with $3 million per year simply to engage in its labor relations activities. OHA used a portion of that money on this case. By contrast, ONA relied solely on its budget, generated from members’ dues. Not surprising, its members were concerned about the amount of money being poured into this and a number of other cases for which no adjustments had been obtained. The distribution of power was clearly on the side of the nonprofit employer. And, ironically, the provincial government funded only one side—the employer—in its appearance before the government’s conflict resolution body—in a case in which the employer was attempting to contest and narrow the meaning of the most important piece of equity legislation passed on behalf of women workers.

The case study of conflict over the level of wages paid to registered nurses and, by extension, to other allied health professionals in three nonprofit hospitals in Ontario, Canada, illustrates that women workers do not passively accept their low wages as a labor donation, that nonprofit managers resist efforts by women workers to improve their wages and are willing to invest significant resources to deter their efforts, and that gender is implicated in the methods used to evaluate and devalue nursing, despite the appearance of gender neutrality. Even as the nurses won some critical victories, the final settlement in wages fell far short of the salary paid for performing a comparable male job involving equivalent work.
WOMEN AND POWER IN THE NONPROFIT SECTOR

To dampen the claims of registered nurses and defeat their wage initiatives, hospital management (the positions of which were often filled by women) drew upon systems of job evaluation developed for use in the for-profit sector. The systems emphasized as valuable job content typically found in historically male managerial jobs. The same systems ignored, among other dimensions of work, the skills and responsibilities associated with historically female, client-oriented service-provider and clerical work. The hospitals and nurses fought about the use of the systems at the bargaining table and in the courts. There was also an ideological struggle over what was an appropriate system for evaluating client-oriented service provision. The conflict was never resolved.

Conclusion

This chapter attempted to trace the implications of the inattentiveness of scholarship on the nonprofit sector to issues of gender. Many studies ignore gender entirely, while others maintain that gender-neutral principles account for low wages in the nonprofit sector. In criticizing the gender neutrality of the accounts, the chapter paid particular attention to the theories that attribute the low pay of jobs in the nonprofit sector to productivity differences or the preferences of women.

Gender must be understood as integral to the formation and definition of much of the nonprofit sector. The preliminary thesis is that there are four manifestations of gendering of the nonprofit sector: the sex of the typical worker, the character of jobs and occupations, the hierarchies within the nonprofit sector, and the metaphors that stereotype the nonprofit sector as a whole. The undervaluation of female work is not unique to the nonprofit sector but rather is endemic in the economy as a whole. The low wages of work performed by women are crucial to the viability of the nonprofit sector, where labor costs are a leading budget item.

Finally, the hospital wage conflict illustrated the importance of maintaining the invisibility of the undervaluation of women’s work in order to maintain the low wages paid a large group of workers. The case illustrates the ways that power and ideology maintain the gender gap in wages within nonprofit settings.

The seemingly neutral compensation practices borrowed from the for-profit sector and introduced to the nonprofit sector maintain the power of the small elite of historically male managerial positions and maintain the undervaluation of the overwhelming majority of historically female positions that constitute the essential character and work performed in the nonprofit sector. The compensation practices thus simultaneously maintain the dominance of for-profit production standards over nonprofit reproduction values. They also maintain the fiction that historically male jobs are more skilled, more responsible, and thus more productive than historically female clinical service and clerical jobs. The ostensibly objective compensation procedure maintains sector and gender subordination. As Acker noted, "Understanding how the appearance of gender neutrality is maintained in the face of overwhelming evidence of gendered structures is an important..."
part of analyzing gendered institutions. One conceptual mechanism is the positing of an abstract, general human being, individual, or worker who apparently has no gender" (Acker, 1992, p. 568). Moreover, because so many of the abstract general human beings are women in the nonprofit sector, the tactics have serious and differentially deleterious consequences for women.

References


Hall, P. D. “A Historical Overview of the Private Nonprofit Sector.” In W. W. Powell (ed.), The Nonprofit Sector:
WOMEN AND POWER IN THE NONPROFIT SECTOR


PAY EQUITY IN NONPROFIT ORGANIZATIONS

WOMEN AND POWER IN THE NONPROFIT SECTOR


Shils, E. “Developing a Perspective on Job Measurement.”

PAY EQUITY IN NONPROFIT ORGANIZATIONS


Treiman, D. Job Evaluation: An Analytic Review. Wash-
WOMEN AND POWER IN THE NONPROFIT SECTOR

CONTENTS

Preface xi

The Editors xv

The Contributors xvii

Introduction: The Paradox of Women and Power in the Nonprofit Sector 1
Michael O'Neill

1. The History of Women in the Nonprofit Sector: Changing Interpretations 17
Kathleen D. McCarthy

2. Women in the Nonprofit Labor Market 39
Anne E. Preston
### CONTENTS

3. Pay Equity in Nonprofit Organizations: Making Women’s Work Visible
   Ronnie J. Steinberg and Jerry A. Jacobs  
   \[79\]

4. The Occupational Structure of Nonprofit Industries: Implications for Women
   Lynn C. Burbridge  
   \[121\]

5. Women, Changing Demographics, and the Redefinition of Power
   Juanita Tamayo Lott  
   \[155\]

6. Women on Nonprofit Boards
   Teresa Odendahl and Sabrina Youmans  
   \[183\]

7. Women as Professional Fundraisers
   Joseph R. Mixer  
   \[223\]

8. A Latina’s Experience of the Nonprofit Sector
   Antonia Hernández  
   \[255\]

9. Women and Volunteer Activity: One Practitioner’s Adventures in Leadership
   Barbara C. Roper  
   \[267\]

10. Women’s Power, Nonprofits, and the Future
    Teresa Odendahl
    Conference Participants  
    \[313\]

Index  
\[317\]