THE ORGANIZATIONAL REPRODUCTION OF INEQUALITY

John M. Amis*
University of Edinburgh
29 Buccleuch Place,
Edinburgh, EH8 9JS, UK.
Tel.: +44 (0)131 651 5545
E-mail: john.amis@ed.ac.uk

Johanna Mair
Hertie School of Governance & Stanford University
Friedrichstraße 180
Berlin, 10117, Germany.
Tel.: +49 (0)30 259 219 329
E-mail: mair@hertie-school.org

Kamal A. Munir
University of Cambridge
Cambridge, CB2 1AG.
United Kingdom
Tel.: +44 (0)1223 337054
E-mail: k.munir@jbs.cam.ac.uk

* Authors are listed alphabetically. Each has contributed equally to this paper. The authors gratefully acknowledge the astute guidance of editor Matthew Cronin.
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ABSTRACT

With societal inequalities continuing to increase and organizations providing the vast majority of people with their income, we wanted to assess the ways in which organizational practices are implicated in the burgeoning of social and economic inequality. Following an integrative review of the literature drawn from across the social sciences, we found that the multiple ways in which five major organizational practices – hiring, role allocation, promotion, compensation and structuring – are enacted emerged as being central to the reproduction of inequality. We also uncovered how the persistence of these practices, and the inequality they induce, can be largely attributed to a constellation of three highly institutionalized myths, efficiency, meritocracy and positive globalization. Our analysis further reveals how, as scholars, we bear a corresponding responsibility to reconsider how we engage in research on and teaching about organizations. The implications of this for our future work are discussed.
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“For the great enemy of truth is very often not the lie – deliberate, contrived and dishonest – but the myth – persistent, persuasive and unrealistic.” (John F. Kennedy, 1962)

Over the last three decades, economic inequality has emerged as one of society’s most pressing challenges (e.g., Atkinson, 2015; Dorling, 2011; Oxfam, 2019; Piketty, 2014; Wilkinson & Pickett, 2010). Much research has attributed inequality to the rise of free market capitalism. Indeed, the ideological shift of the 1980s and the emergence of a new paradigm in which free markets held a central position (Burgin, 2012) accompanied by an increasing control of policy agendas by the private sector (Barley, 2007; Bonica, McCarty, Poole, & Rosenthal, 2013; Stiglitz, 2013) have been causally linked to what Atkinson (2015: 3) has termed the “inequality turn.” However, in the macro-level narratives that have been spawned by these views, organizations, and the people who work within them, remain largely invisible; when organizations are considered, they are mostly viewed as rational entities comprised of neutral structures and practices. This is particularly problematic when considering inequality because organizations not only play a central role in all of our lives but they also demarcate employment and other opportunities that in turn define social and economic status for the vast majority of people (Atkinson, Piketty & Saez, 2011).

Our purpose in this paper is to reassess the relationship between organizations and inequality. We recognize that organizations, far from being neutral entities, constitute bounded, rationalized and formalized spaces in which economic opportunities intersect with structures of exclusion and disadvantage. Consequently, understanding how people gain employment, are promoted and compensated, and what enables and hinders upward mobility within organizations is critical to understanding the production and reproduction of inequality. With this backdrop, we approach this paper with three questions in mind. First, what are the organizational practices that reinforce inequality? Second, how do these practices reproduce
inequality? Third, why are these dynamics of reproduction so persistent and prevalent across different organizations and domains of activity?

As we reviewed the literature guided by these three questions, it became apparent that while there is significant work across the social sciences that has revealed the presence of various social inequalities in organizations, this work has typically been siloed according to type of inequality, practice, or organization. Thus, while we have a good understanding of who suffers from bias and disadvantage in organizations, we have much less appreciation of the mechanisms that allow inequality to persist. To address this, we used an institutional lens to develop an integrative and potentially reorienting review of the literature. This allowed us to probe the beliefs and assumptions that underpin organizational life, thereby addressing the three questions above. First, we were able to develop a holistic understanding of what practices become the carriers for reproduction of inequalities in organizations. We accomplished this by integrating insights drawn from 232 articles and 76 books published in management, organization studies, sociology, social psychology, economics, epidemiology, gender studies, cultural studies, race studies, and geography along with a further 14 reports from government policy units and think tanks. We show how understanding of the ways in which people are employed, promoted, allocated roles, compensated and conditioned by organization structures is critical if we are to grasp the role organizations play in producing and reproducing inequality.

Second, we were able to show how these practices worked to create a system of institutionalized inequality. In particular, our integrative approach revealed that these practices do not work in isolation but tend to have a cumulative effect. For example, hiring practices are important as they determine who gets access to which positions; these people are then subject to various promotion practices that enable and constrain upward mobility; associated role allocations, both before and after potential promotions, often have the effect
of defining people with identities that are shaped by social categories; these are also linked to compensatory practices that essentially prohibit the equality of outcomes as pay is the major determinant of economic resources for most people; finally, organizational structures can impose a rigidity of norms and routines that can reinforce this system by advantaging some groups over others.

While this emergent understanding is revelatory for our appreciation of what organizational practices reproduce inequality and how they do it, it does not provide sufficient insight into our third objective, to understand why these practices of disadvantage have become so prevalent and persistent over time. In this respect, our analysis of the literature revealed three institutional myths (March, 2010; Meyer & Rowan, 1977) – widely but not necessarily consciously held ideals that are collectively rationalized and largely unchallenged – that work together to bind the practices into a taken-for-granted framework of established ways of operating. These myths – efficiency, meritocracy and positive globalization – are pervasive in their influence and allow the enactment of practices in a way that reproduces inequality in organizations.

The first myth we uncovered, then, was an unwavering belief in the notion that organizations are essentially driven by a concern for greater efficiency. This belief stems from the deeply entrenched and widely propagated assumption that markets are efficient and therefore in order to survive, organizations must also be efficient. While this belief has been consistently challenged (e.g., Barley, 2007; Stiglitz, 2013) it remains widely used as justification for the implementation of practices in ways that increase levels of inequality. For example, the conviction that compensation at all organizational levels are determined by a neutral, and efficient labor market is often used to justify the vast differences between the pay packages of top managers and ordinary workers. In particular, the belief that there exists a global market for high performing chief executive officers is used to justify their lucrative compensation.
packages when in fact the market is not efficient with the number of those actually moving very small (Hargreaves, 2019).

Second, much of what goes on in organizations is enabled by the institutionalization of a belief that organizations are essentially meritocratic in their working. The concept of meritocracy implies a social system in which individual advancement and the allocation of rewards in organizations and society more broadly are based on an individual’s capabilities and performance rather than family connections, seniority, race, gender or class (Bellow, 2003). Despite the institutionalization of merit-based practices, our review clearly shows that, regardless of claims to the contrary, entry, advancement and reward in organizations, including the attainment of highly prized leadership positions, often remain systematically non-meritocratic. For example, a professional service firm may emphasize the high grades attained at an elite university as a reason for hiring one individual over another. However, the cultural and social capital that led to gaining acceptance in that university, provided access to advantageous internship opportunities and allowed the candidate to identify with interviewers through shared interests (e.g., Castro & Holvino, 2016; Friedman & Laurison, 2019; Rivera, 2015) are almost never considered by decision-makers. Thus, too often, realized hiring practices do not fit with the underlying assumptions of meritocracy and the belief in a fair, open and rational process. However, the deeply entrenched myth of meritocracy allows the outcomes of non-meritocratic practices to go unchallenged.

The third myth to emerge from our review is the belief that globalization of organizational activity is an inherently positive and progressive development. This view casts globalization as a social and economic tide that lifts all boats. However, our review shows that multinational corporations in particular, as primary agents of globalization (Eden & Lenway, 2001) are not always deliverers of prosperity and growth. Rather than equalizing opportunities, in their quest for greater profits they may engender new inequalities or
strengthen existing ones. In their recruitment practices, for instance, they may reproduce inequality by promoting and rewarding people according to their accrual of cosmopolitan and firm-specific cultural capital that is designated as a requirement by headquarters almost invariably located in the Global North\(^1\) (e.g., Castro & Holvino, 2016; Levy & Reiche, 2018). Similarly, by taking advantage of high unemployment rates and lax regulation, multinational firms may be able to exploit labor without repercussions, often with devastating effects (Alamgir & Banerjee, 2018).

The evidence that emerged from our review shows that not all of the practices nor all of the myths are present in all organizations at all times. However, a practice aligned with one or more supporting institutionalized myths constitutes a powerful mechanism that reproduces inequality. Further, the evidence shows that, as practices and myths accumulate, these mechanisms of inequality become increasingly influential and entrenched.

We use the emergent insights derived from the uncovering of practices and myths to proffer a complementary ‘Future knowledge generation and communication’ agenda. We contend that much existing research on organizations and the communication of it through academic and practitioner publications, teaching, and executive education is often helping to perpetuate this inequality. We consider the ways in which dissemination of particular understandings of how organizations should operate have produced ways of seeing – and not seeing – that have helped to reify inequality. In so doing, we reflect on how alternative approaches can be developed that will not only offer further insight into the ways in which organizations perpetuate inequality, but also what may be done to reduce the disparity between those advantaged and disadvantaged.

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\(^1\) In line with the World Bank’s terminology, we use the term Global North to refer to the location of the predominantly higher income nations and Global South to denote the lower and middle income countries located mainly in Asia, Africa, Latin America and the Caribbean.
ORGANIZATIONAL PRACTICES AND THE REPRODUCTION OF INEQUALITY

Work to date focusing on the relationship between organizations and inequality has revealed organizations as sites where somatic norms\(^2\) determine advantage and disadvantage (Puwar, 2001). Aligned with this, several reviews have documented the prevalence of a broad range of forms of social inequality and shown how they are manifest across a diverse set of organizations (e.g., Bidwell, Briscoe, Fernandez-Mateo & Sterling, 2013; Bowles & McGinn 2008; Kossek & Lautsch, 2018). However, we lack a comprehensive, integrative review that examines how the mundane practices we associate with effective organizing reproduce inequality.

Using an institutional lens, our objective in this section is to uncover how inequality in organizations is reproduced through situated, everyday practices which, while otherwise considered to be unremarkable, become imbued with meaning informed by broader cultural beliefs. As a consequence, our review reveals how discrepancies arise between how practices are, and how they are broadly imagined to be, enacted. Processes of habitualization and legitimization lead to such practices becoming routinized and taken-for-granted, often in an unreflective way, to reify inequality (Amis, Munir & Mair, 2017). As Dolfsma and Verbürg (2008: 1036) explained, “the objectivity of institutional arrangements ‘hardens’ as individuals internalize these objective social realities, take them for granted and recreate them in their ongoing interactions.” Thus, by integrating a large body of literature across different types of inequality we identify organizational practices and specify how they help to create and reproduce inequality. The ways in which legitimizing myths are imbued within and across the practices are uncovered throughout. We also provide detailed examples from the reviewed

\(^2\) Puwar (2001) defines the somatic norm as being white, middle class and male. While most work has focussed on these identity characteristics, we must also consider other potential bases of disadvantage including sexuality, disability, age and so on.
literature to provide insights into the lived experiences of those who are (dis)advantaged by the systems in which they operate.

**Hiring Practices**

The importance of hiring practices in perpetuating inequality through organizations has been the focus of scholarly attention across disciplines. They are important because of their influence not only on who does or does not get a job, but also subsequent career trajectories and pay prospects (Boudreau, Boswell, & Judge, 2001; Gatewood, Feild & Barrick, 2008). Hiring practices serve as gatekeeping mechanisms that facilitate career opportunities for some while blocking entry for others (Rivera, 2012). As a consequence, while apparently meritocratic, members of privileged groups gain entry to more lucrative career paths while others get shepherded into lower paid occupations with significantly fewer opportunities for advancement (Friedman & Laurison, 2019). As we reviewed the literature in this area, three mechanisms that enable the reproduction of inequality through hiring emerged: the widespread use of cultural similarity as an evaluative shortcut; the unreflective use of tools and instruments in recruitment processes; and, the reliance on informal networks in screening and selecting candidates.

**Evaluation based on cultural similarity.** Hiring determines who gains access to organizations. Probably the most important, and recurring, mechanism that reproduces inequality through gatekeeping is the use of cultural similarity as a heuristic to aid the hiring process. The insight that hiring decisions are influenced by managers’ positive bias towards people who they regard as similar to themselves goes back to Kanter’s (1977) seminal text, *Men and Women of the Corporation*. A number of subsequent studies have provided evidence that those who do not match the characteristics of those ensconced in leadership positions will be less likely to be hired (e.g., Castro & Holvino, 2016; Friedman & Laurison, 2019; Williams, Muller & Kilanski, 2012). Applying shortcuts based on cultural similarity is
particularly prevalent in hiring for managerial and professional positions (Baron, 1984). A major justification given for this is that employers have imperfect information about job requirements and the potential of employees, particularly early in their careers, to meet these requirements. Therefore, decision-makers are more likely to use similarity to themselves as an efficient means for assessing how likely it is that a new recruit will perform well. Once established and rationalized, “the practice of hiring and recruiting similar individuals often becomes institutionalized, especially when organizational members who monopolize a credential or background trait can define it as a prerequisite for employment or advancement” (Baron, 1984: 55).

Understanding evaluative processes implied in hiring as based on cultural matching rather than simple skills (DiMaggio, 1992) has emerged as an important theme in organizational research on inequality. For example, Rivera (2012) investigated the hiring process at elite law firms, investment banks and management consulting firms finding that candidates with similar experiences, personal interests and presentation styles to interviewers were preferred and championed, often at the expense of hard skills (see also Friedman & Laurison, 2019). Cultural similarities go beyond “like me” sources of appreciation, they are critical for how we evaluate merit and include lifestyle markers as bases for status group reproduction and social closure (Rivera, 2012). Shared culture in the form of lifestyle markers (Veblen, 1898) therefore become important explanatory mechanism for the reproduction of racial and other forms of inequality in internal and external labor markets (Castro & Holvino, 2016; Rivera & Tílsik, 2016). Dacin, Munir and Tracey (2010: 1405) illustrate this in an interview with a recruiter for a leading London-based consulting firm, who happens to be an Oxbridge\textsuperscript{3} alumnus himself. The recruiter told them that cultural similarity was simply a more efficient way of screening candidates: “I’m involved in graduate recruitment and I would say that 30–

\textsuperscript{3} Oxbridge is a collective term referring to Oxford and Cambridge Universities.
40 percent of the people that we take on are Oxbridge grads. That’s not because we favor them, but I do think that I find it easier to interview them because I can relate to what they have done at college.” While our review reveals the use of heuristics based on cultural similarity to be particularly pronounced in hiring practices, this approach is also prevalent in several other organizational practices, such as role allocation and promotion. It thereby perpetuates and amplifies inequality in organizations in multiple and interrelated ways.

**Recruitment tools and instruments.** The fact that patterns of inequality get perpetuated in recruitment processes is well documented. Rivera and Tilcsik (2016), for example, demonstrated how inequality is reproduced by hiring practices of large US law firms. Having doctored otherwise identical résumés with randomly assigned signals of gender and social class, they showed that higher class male applicants were invited for interview on significantly more occasions than were higher and lower-class women, and lower-class men. This study was followed up with a survey and interviews with lawyers at large firms, leading Rivera and Tilesik (2016: 1097) to conclude that “higher-class candidates are seen as better fits with the elite culture and clientele of large law firms. But…higher class women…face a competing negative stereotype that portrays them as less committed to full-time, intensive careers.” An important insight of this and similar studies is that recruiting and screening processes that involve standardized tools and instruments that are justified on the basis that they efficiently differentiate among candidates on the basis of ability actually perpetuate inequality in significant ways.

The discriminatory impact of hiring tools is not lost on those applying for jobs. For example, Kang, DeCelles, Tilcsik and Jun (2016) revealed that applicants engaged in résumé whitening to conceal or tone down specific racial cues in the job search and application process. In their multi-method design that included an audit study, laboratory experiment and interviews, they found that minority applicants whitened their résumé less when applying to firms that
claimed to value diversity; however, the presence of organizational diversity statements was not associated with reduced discrimination.

A widely used method to hire top talent is to target a selective and small number of elite universities on the basis that they offer an efficient way to access those perceived to be the brightest candidates in an apparently meritocratic process. However, while university access is now open to many more young people around the world, this access does not necessarily produce a more level playing field. As Savage (2015: 257) found, while access to elite institutions promises “glittering prizes” it is the upper classes that retain greatest access to these universities and are hence most heavily recruited (see also Ashley, Duberley, Sommerlad & Scholarios, 2015; Friedman & Laurison, 2019). Despite a rhetoric of meritocratic recruitment, Savage (2015) found that established practices reinforce the advantages that are enjoyed by those from more privileged backgrounds.

Rivera (2015) provides a similar account of the recruitment processes of elite professional services firms in the US. She describes how such firms target graduates from the leading universities thus creating a homogeneous pool of applicants from those with upper class backgrounds who can afford expensive college fees. She explains how résumés are screened based on the similarities of background and interests to those making the hiring decisions - typically partners or members of the profession rather than human resource staff who may apply more standardized criteria. It is a similar situation in employment interviews with final hiring decisions based on interactions between the candidate and decision-maker. Rivera observed that priority is given to those candidates who demonstrate a good fit of educational background, social activities, or some other commonality with an interviewer that necessarily results in lower class applicants being disadvantaged. Laurison and Friedman (2016: 683) also observed how, based on research in the United Kingdom, firms seek job candidates with “a polished appearance, strong debating skills, and a confident manner, traits [that]… can be
closely traced back to advantaged social backgrounds.” Castro and Holvino (2016) found the same criteria in place in the Big Four accounting firm they studied in Mexico. They demonstrate how the global spread of the firm’s practices, designed to enhance efficiency across the countries in which it operates, actually reinforces inequality.

The impact of recruiting tools and instruments as a driver of inequality is not limited to elite professional service firms. Using data from 1,344 police officer applications, McFarland, Rya, Sacco and Kriska (2004) studied the use of selection panel reviews to assess the relationship between race of applicants, panel composition, and interview ratings. Focusing their analysis on the panel composition they found that white panels provided significantly more favorable ratings to applicants of all races compared to panels composed of predominantly black raters, who evaluated black candidates more favorably than white candidates only if their fellow panelists were predominantly black.

We can therefore see how supposedly neutral recruitment processes and instruments interact with existing patterns of disadvantage and bias in ways that turn them into devices that propel inequality. This can even stretch to the foregrounding of the location of an applicant’s residence during the processing of the application. Wacquant (1996), for example, examined racial and class inequalities in La Courneuve, a densely urbanized Parisian suburb in industrial decline, and the almost entirely black southern Chicago suburb of Woodlawn known for its high rate of unemployment and poverty. In his highly evocative report of class and racial discrimination, Wacquant explained how providing an address in Quatre Mille, the public housing concentration of La Courneuve, or the South Side of Chicago, would often result in denial of a job opportunity and even a refusal to accept an application.

**Informal networks.** An important aspect of the hiring process is the use by organizational recruiters of informal networks of those either inside the organization or closely aligned to it. Again, we see how this reaffirms structures of inequality in ways that
are often enacted without much reflection, even from those who practice it. Especially in recruitment for “mundane” jobs, a common practice is to ask “good workers” for referrals, who then recommend people similar to themselves for job openings. By drawing heavily on in-group ties and social closure practices, this efficient process can sustain or exacerbate inequalities entirely without overt hostility toward already disadvantaged groups. This is exemplified by Fernandez and Fernandez-Mateo’s (2006) study of how race, networks and hiring interact to reveal multiple points in the hiring process where network factors can exclude minority groups from access to desirable jobs (see also DiTomaso, 2015; Reskin, 1988; Rivera, 2012; Savage, 2015). This network effect also crosses national borders with students at globally leading business schools investing heavily to become part of alumni networks and the privileges they offer (Curl, Lareau & Wu, 2018; Levy & Reiche, 2018).

Many of the powerful networks within organizations continue to remain exclusively male and are organized around sports and leisure activities that suit men (Williams, 2013). Networks for others, if they exist at all, are less powerful and may even be linked to negative consequences for its members. Thus, when informal networks are used in the hiring process, those who are recommended tend to share common characteristics. This, therefore, is another way in which disadvantage is further entrenched. One potentially positive aspect of network recruitment is provided by Rubineau and Fernandez (2015) who suggest that it can redress the balance of under-represented groups by encouraging members of minority groups to apply for available roles. However, the dominant evidence is that the use of informal networks during the hiring process increases inequality.

**Promotion**

The approaches to deciding who should be promoted and when also emerged from our review as a significant driver of inequality in organizations. The fluidity and speed with which people advance has a direct impact on their economic well-being and positions in
society. As Baron (1984) noted, unequal access to opportunities for promotion is an important source of inequality within organizations. This point has been examined by, among others, Rivera and Tilcsik (2016) who demonstrated how being female and lower-class seriously diminished opportunities for promotion in professional service firms. Castro and Holvino (2016) similarly showed the importance of class and gender, but also how racial differences constitute a strong determining factor when it comes to promotion prospects. In this section we present the approaches that emerged from our review that reveal the links between promotion and the reproduction of inequality: the use of informal networks, access to mentors, and socialization into ways of thinking and acting that reinforce organizational expectations.

**Informal networks.** As we showed earlier, an informal network can determine access to employment opportunities; it is a similar situation with respect to promotion, though the mechanism acts in a slightly different way as Friedman and Laurison’s (2019) example of Mark, Head of Current Affairs at a leading television company demonstrates. While talented, Mark admits that the most crucial thing in his rise has been that his talents were given “an opportunity to shine” by people that he met as a consequence of his privileged upbringing, attendance at Oxford University, and access to influential people as a result of family connections. This supports Yang and Aldrich’s (2014) argument that ascension to leadership positions are frequently designated not on merit but on social beliefs and particular practices. Access to positions of authority is legitimized through explanations that emphasize individual qualities such as hard work, intelligence, performance and a focus on success; much less emphasis is attached to their access to networks of influence or peer similarity (Davies-Netzley, 1998). The evidence, though, is substantial in showing that, as with Mark, rising through an organization frequently depends in large part on having a network of able contacts willing to assist an individual in getting into a position “to shine.”
Rivera (2015) (see also Rivera & Tilcsik, 2016) also point to ways in which organizational decision-makers place great importance on social capital when it comes to promotion, with those of a higher class tending to favor those who exhibit cultural interests similar to their own. This has been shown to dramatically influence one’s chances of getting ahead in industries as varied as academia, classical music, professional service firms, medicine, life sciences, and dentistry (e.g., Bull & Scharff, 2017; Friedman & Laurison, 2019; Rivera, 2015; Savage, 2015).

Demonstrating that not all network effects are equal, James (2000) studied managers at a US Fortune 500 financial services firm to investigate explanations for the disparity in promotion outcomes between white and black managers. He found that blacks were disadvantaged in comparison to whites in two ways: they accrued less social capital and any strong networks with other black individuals failed to proffer similar advantages to those of their white counterparts (see also McGinn & Milkman, 2012).

Westphal and Stern (2007), in a study of 760 external directors at medium and large American firms, showed how developing networks through provision of advice and information to CEOs and peers led to white, male directors having far more opportunities to obtain board appointments, an effect that was not observed for ethnic minorities or women. They also found that white directors increased their chances of being appointed to boards if they demonstrated control behaviors whereas minorities were disadvantaged for the same actions. However, network effects have been viewed to positively influence women when women are in positions of power (Beckman & Phillips, 2005; Cohen & Huffman, 2007; Ely, 1995; Huffman, Cohen & Pearlman, 2010). Stainback, Kleiner and Skaggs (2016) explained how women in positions of power can reduce promotion disparities by providing access to informal social networks and mentorship to women who are at lower positions within the organization. Having more women in positions of power also reduces their ‘token’ status,
increases their ability to build networks with other female leaders, and improves their communication effectiveness.

Mentoring. Related to the impact of networks is the more specific and direct effect of having a mentor who is able to explain to an individual how to position themselves for a promotion and serve as an advocate with influential decision-makers. Again, Mark, the television executive’s experience provides insight into how this mechanism works: “It’s interesting, I mean I could almost give you my whole trajectory in sponsors, because it’s sort of, it’s quite medieval in television. You serve apprenticeships and you have a patron” (Friedman & Laurison, 2019: 2). Of course, it is not just the television industry that could be labelled ‘medieval’ in this way. Castro and Holvino’s (2016) study of a Big Four accounting firm in Mexico similarly demonstrated the importance of having an influential mentor – known within the firm as a “godfather” – if one was to advance through the firm. Godfathers provided advice on ways to act, access to professional development courses and recommendations for promotion. Rather than being selected on the basis of their expertise or experience, Castro and Holvino (2016: 338) noted that “interviewees’ comments revealed that the more employees were perceived as ‘pretty’ or as members of a higher socio-economic class, the more advantage they had finding ‘godfathers’ and, therefore, advancement opportunities.” By contrast, Castro and Holvino (2016) described how Emilio, dark skinned, from a blue collar family, lacking English proficiency, and having graduated from a public university “carried many disadvantages” and thus seemed destined to miss out on the mentoring support necessary for promotion. Similarly, in a study of 116 black and 756 white public accounting employees, Viator (2001) showed that the lack of access to mentors severely hindered blacks in their career advancement.

McDonald and Westphal’s (2013) examination of why women and racial minorities that had obtained initial board appointments were still not considered to be part of the corporate elite,
which requires holding multiple board memberships in order to exercise influence over corporate policy at each of the firms where they serve as a director, is also revealing in this respect. Building on social psychological research on intergroup relations, McDonald and Westphal found that incumbent corporate directors, overwhelmingly white males, were more likely to provide mentoring to first-time directors who are also white males. This mentoring, focused on detailing the types of behaviors expected of directors, was withheld from women and racial minorities, something that was attributed to limiting subsequent success in gaining additional board appointments.

**Socialization.** It is also apparent in the literature that how members are socialized within organizations and especially how members belonging to different groups are encouraged to act, dress and think in particular ways affects the likelihood of or viability for promotion. There is also evidence that many are socialized to accept that, on merit, they will not – and even should not – attain promotions to higher level positions. Low access to opportunity and power result in lowered aspirations and engagement (Kanter 1977; see also Greenhaus, Parasuraman & Wormtey, 1990). In their book, *Women don’t ask: Negotiation and the gender divide*, Babcock and Laschever (2003) suggest that women’s socialization into passive roles is one of the reasons they do not succeed to higher management positions. They argue that women lack confidence about their abilities and do not have a similar sense of entitlement to men; this makes it difficult for them to negotiate their way to top positions. Individuals may also choose not to pursue roles and careers based on internalized feedback of their inadequacy. This can serve to undo even progressive organizational changes. Ilgen and Youtz (1986) proposed that minority members may internalize an organization’s negative evaluations of them and engage in “self-limiting behaviors” – for example, refusing a challenging job assignment or declining an opportunity for additional training – that perpetuate performance differences. The adverse is also, of course, true. For example, in a
survey of scientists and engineers in research and development roles in 24 large corporations, those who were able to shape their own job – predominantly white men – were perceived as innovative, received higher performance ratings and were believed to be more promotable (DiTomaso, Post, Smith Farris & Cordero, 2007).

A further example of organizational socialization is provided by Liu’s (2018) study of Chinese female leaders in Australia. What was consistent across Liu’s interviews was how participants had been repeatedly told throughout their careers that they lacked confidence. Even senior female leaders had been frequently told by their managers that they needed to appear more confident. Thus, the stereotype of “hyper-feminine” attributes of Asian women as quiet and submissive were imposed on female managers by their bosses, leaving them with personal projects of confidence building if they were to rise in the organization. Castro and Holvino (2016: 339) similarly found that “women were socialized into dressing and behaving in certain ways, therefore distancing themselves from stereotypes of gender, racio-ethnicity and class that ostracize indigenous and poor women in Mexico.”

Role Allocation

The third prominent practice tied to the reification of inequality that emerged from our review of the literature was how the roles that people play in organizations get assigned. While often associated with hiring, role allocation remains relevant as a more general organizational practice. Presented in the literature as meritocratic and designed to enhance organizational efficiencies through a neutral, value-free process, the allocation and occupancy of roles reflect entrenched values made manifest, for example, in preferences and expectations of senior decision-makers. This is not a recent observation. Twenty-five years ago, Baron and Pfeffer (1994: 191) noted that “organizations affect inequality by influencing how jobs are defined, how rewards are attached to positions, how people are matched to these jobs, and how workers determine whether they have been fairly treated.” As they go on to
explain, the fact that wages tend to be more ascribed to jobs rather than individuals results in the structuring and allocation of jobs of particular importance to understanding inequality.

Cobb (2016) has also argued that two key ways in which firms contribute to societal inequality is in how they reward individuals for their labor and determine who should fill particular jobs (see also Baron, 1984). As we examine how the roles that people fill in organizations has become implicated in societal inequality, two interdependent factors emerge as particularly important: the demands made on those who fill particular roles and the tasks to which individuals are allocated. It is to these that we now turn.

**Organizational demands.** According to the literature, a common refrain in organizations is that some individuals are more suited to the requirements placed upon them than others and thus it is more efficient for the organization if this is taken into account when allocating roles, particularly those that are most demanding. As Acker (2006: 448) explained, “Eight hours of continuous work away from the living space, arrival on time, total attention to the work, and long hours if requested are all expectations that incorporate the image of this unencumbered worker.” For the upper- and middle-class worker, this is generally not a problem; for the lower-class worker, however, who may also be a single parent, unable to afford childcare, or with unreliable access to personal or public transportation, it can be difficult to adhere to these expectations. This is reflected in the roles that individuals are allocated. Those who are seen as “committed” are rewarded with more specialist roles and/or identified as having the leadership potential required for career advancement. By contrast, those who are seen as less committed, perhaps because of family obligations, are often assigned less central and/or temporary roles (Cha, 2010; Rhoton, 2011). Thus, social closure practices within organizations can prevent the development of skills and experiences required to advance trapping some in less demanding and lower paid positions and thus reproducing inequality.
Thus, while on the face of it, roles appear neutral, with a set of competencies, skills and responsibilities attached to the role regardless of the person occupying it, in actual fact, roles are implicitly, among other things, raced, classed and gendered. Even women in higher positions who take advantage of family support policies suffer as they are seen as less dedicated, and less deserving, of advancement. Thus, the assumption and expectation of the unencumbered, dedicated worker plays an important role in maintaining inequality in the workplace: unencumbered workers remain highly valued while those with outside commitments are relegated to lower ranks and lower pay. The long hours and commitment required within organizations is linked to the reinforcing of separate spheres for men and women (Cha, 2010); the social constructions of gender and management pervade organizational practices and discourse, limiting access to opportunities (Ely, 1995; Martin, 2000).

The roles assigned to individuals involved in different stages of global supply chains also contribute to the reproduction of inequality within organizations. This has been particularly noticeable in manufacturing and extractive industries but is also apparent in the agricultural, construction and service sectors. Post-colonial discourse emphasizes divisions between workers, and the roles they fill, in the Global North and South (Khan, Munir & Willmott, 2007). It clearly shows that not all workers are equal in the global economy. In pursuit of economic advantage, often in the form of cheap labor that can be assigned manual production roles, transnational firms differentiate between workers in different geographic regions. Those assigned to roles reliant on education and training, predominantly in the North, are much better compensated and have very different career paths to those doing the physical work in the Global South who often are employed through subcontractors and frequently operate in conditions that are dangerous and degrading (e.g., Chamberlain, 2012; Chan, 2013; Pattisson, 2015).
**Task assignment.** The tasks to which people are assigned are clearly central to the roles that they play in organizations. In fact, Ashcraft (2013: 6) has argued that “the nature of an occupation is tied to the social identities with which it is aligned.” Ashcraft uses a “glass slipper” metaphor to discuss the ways in which certain traits and competencies become associated with certain tasks within the organization, making them seem suitable for particular groups of people. This draws attention to systematic disadvantages for those with particular identities (see Amis, Munir, Lawrence, Hirsch & McGahan (2018) for a review).

This line of inquiry has received support from Tilly (1998) for whom job categorization and distinctions within organizations act as powerful mechanisms that maintain inequality by reproducing exterior culturally legitimate categories that create social differentials. Tilly points to opportunity hoarding and devaluation as two mechanisms through which inequality is maintained within organizations. Opportunity hoarding refers to social closure practices in which certain tasks are seen as suitable for certain categories of workers. Devaluation, on the other hand, refers to the lower status and material rewards attached to work done by ‘other’ groups (Tilly, 1998).

Chan and Anteby (2016), focusing on task segregation as another mechanism of within-job inequity, point out that even if women are put into similar jobs as men their role within the job can still be curtailed through the tasks to which they are assigned. In their study of security workers at an airport, they found that women were allocated tasks that required more physical exertion, emotional strain and relational tensions. This resulted in the women experiencing higher levels of work intensity, emotional exhaustion and poor coping in the job. It also meant that they were more likely to receive sanctions from supervisors for taking time to recuperate and that their skill set was limited, which had consequences for promotion, pay, retention in the role, and job satisfaction.
Recent work on entrepreneurs also illustrates how inequality gets reified even in the context of self-picked roles. In principle, entrepreneurship constitutes a viable pathway to social mobility and economic autonomy. However, Neville, Forrester, O’Toole and Ridding (2018) showed how discouragement – continuous experience of being considered unequal – significantly limited the potential and ability of African American and Hispanic American entrepreneurs to access necessary resources. The authors also suggested a similar effect may play out in corporate environments where managers belonging to racial minorities might internalize negative experiences and become discouraged with the institutional pathways and corporate career ladders.

It is also apparent that those who occupy lower-skilled positions have a very different work experience to other employees. Riaz (2015), for example, noted how elites often gain career advantages by moving across the organization in a series of short-term assignments seen as an efficient way to increase their breadth of experience. By contrast, for those lower down the hierarchy, such practices are seen as inefficient and often simply result in increasing job insecurity (see also Bidwell et al., 2013). A further source of inequality was identified by Kossek and Lautsch (2018) who showed how work-life flexibility is unequally attached to roles, with lower level workers unable to benefit in the way that higher level workers can. This is unfortunate because it is those from the lower classes with least discretionary resources who would likely benefit most from more flexible schedules to help with childcare, attend medical appointments, take sick leave, or access reliable transportation.

Further, those lower down the hierarchy often carry out tasks while being closely supervised, having little control over the pace or content of their work, and engaging in no supervision of others (Zweig, 2004). These constraints have become intensified, in the name of efficiency, by the use of technology with jobs such as warehouse pickers and delivery drivers conditioned to having their schedules and pace of work closely monitored, and set, by the
devices that they carry. Marmot (2015: 171) provides a vivid example of this with his case study of Alan, a warehouse picker: “His handheld electronic gizmo was not just his control it also fed back what he had done, so his performance can be monitored to see how he did against his target. He was warned when he did not keep up the pace…. ‘Did you ever,’ I asked Alan, ‘in all the time you were there, meet your target and finish a shift with a sense of achievement?’ Not once was his answer. Hour after hour, day after day, and feeling always that he had fallen short.”

Bapuji (2015) notes the different ways in which individuals of differing classes interact with technology in the workplace. Recently, this has often involved the creation of disruptive business models, such as Airbnb, Alibaba, Amazon, Facebook, Netflix, Tencent, and Uber. Usually led by charismatic entrepreneurs and celebrated by market analysts, such firms often hide new, oppressive power relations privileging the credentialled elite over workers on the other side of the digital divide (Amis et al., 2018). This points to a shift in the employment relationship with the vast majority of front-line tasks carried out by more efficient outsourced, cheap, and disposable workers who have virtually no chance of career advancement or even acquiring the technical skills and experience required of those who are directly employed. This reflects Craypo and Cormier’s (2000) reference to an hour-glass shaped employment structure and Sassen’s (1996: 72) description of a “bipolarity in skill requirements” in which there is a restructuring of organizational roles: “a demand for highly specialized and educated workers alongside a demand for basically unskilled workers whether for clerical, service, industrial service, or production jobs” (see also Pew Research Center, 2015; Fine, Manyika, Sjatil, Tacke, Tadjeddine & Desmond, 2019). This, in turn, has removed the need for much internal training, the collapse of internal labor markets and upwardly mobile career paths, and the corresponding increase in employment agencies as firms rely more on short-term and part-time contracted workers (Bidwell et al., 2013; Sassen,
1996). These conditions have contributed to the rapid development of conditions in which low-wage roles are filled by people already characterized by a background of poverty, the so-called “working poor” (Leana, Mittal & Stiehl, 2012; see also Dorling, 2014). Such roles are often stigmatized, further adding to the psychological stress in which such workers find themselves.

**Compensation**

Pay constitutes the largest source of income for the vast majority of individuals (Atkinson et al, 2011; Baron & Bielby, 1980). Thus, compensation practices constitute an important lever for reproducing and potentially mitigating inequality in organizations. In this section, we explain the main mechanisms distilled from our review that link compensation packages – that may or may not include benefits such as pension contributions, stock options, health care and so on – and the reproduction of inequality: the general remuneration structures of organizations including differential entry compensation packages, and the exploitation of those who lack power.

**Remuneration structure.** An important but often underspecified mechanism underpinning inequality manifested in pay differentials is how compensation is performed in organizations. Pay structures are perceived to be largely meritocratic and constructed to be an efficient way to retain talent in varyingly competitive marketplaces. This, however, is usually not realized in practice. It is apparent that different compensation scales are often set at the point of first entry into the organization (Bielby & Bielby, 1984). For example, Petersen and Saporta (2004) showed that female starting salaries are typically 15% less than for male workers. This has been exacerbated by females often being allocated lower hierarchical roles (Calas & Smircich, 2006; Castilla, 2008). DiPrete and Soule (1988) showed how differential sorting at the time of hiring, whereby women are placed in jobs that have lower pay, along with continued hurdles and barriers faced by women in advancing within organizations
combine to create long term gender differences in earnings. Thus, despite women being more likely than men to hold a tertiary degree, they will earn only 84 cents for every $1 that men earn (Fine et al., 2019). It is a similar case with those from working class backgrounds who, when they are able to enter high-status professions, earn on average 17% less than their higher-class colleagues (Laurison & Friedman, 2016). In other words, the professions appear to confer not only a class-based access advantage but also a remuneration bonus.

The majority of organizations compensate employees using a categorization scheme that clusters members of different groups into different occupations. Friedman and Laurison (2019), for example, show how the most lucrative occupations, and the highest paid jobs within particular industries, disproportionately go to those from higher socio-economic backgrounds. Other studies show that occupations that are dominated by women pay less on average compared to occupations dominated by men (Aldrich & Buchele, 1986; Acker, 1989; England, Reid & Kilbourne, 1996; Muzio & Tomlinson, 2012; Reskin & Bielby, 2005). This is in large part because compensation structures are skewed against roles that are more frequently performed by women, such as “relational practices” (Meyerson & Kolb, 2000) that facilitate interdependence and manage conflict. Research from the US has also shown that black and Hispanic workers are similarly segregated into occupations that pay less (Kmec, 2003; Semyonov & Herring, 2007).

Compensation structures vary between those that emerge as a by-product of seemingly benign decisions to those that verge on the explicitly discriminatory (Belliveau, 2012). For example, Reskin and Bielby (2005) showed how rates of pay are often altered so that men allocated roles traditionally occupied by women garner a higher salary for the same work. Foschi (2000) argued this results in a “double standard” by which women have to outperform men in order to attain a similar level of compensation.
Of course, there have been repeated attempts to reduce the differentials in rewards between different groups of workers. One of these has been the introduction of remuneration structures that are based on merit or “payment by results” (Castilla, 2008; Castilla & Benard, 2010). Castilla (2008) suggested that these merit-based reward systems, ostensibly viewed as rational and fair, can continue to be biased if there is a lack of transparency, increased discretion and less accountability around performance evaluations. Performance-based reward systems can also reproduce bias as the subjectivity involved in making merit-based evaluations can continue to discriminate against those who are under-represented within the organization (Castilla, 2008; Castilla & Benard, 2010). Castilla (2008) also found no race or gender differences in managerial evaluations but did find significant white male advantages in the size of salary increases awarded as a consequence of them. The challenge for organizations, then, is to be attentive to biases that arise precisely because of the adoption of merit-based practices and policies. Despite good intentions and the “hope of motivating employees and ensuring meritocracy, policies with limited transparency and accountability can actually increase ascriptive bias and reduce equity in the workplace” (Castilla, 2008: 1479).

When remuneration structures are made transparent and those involved in making merit assessments are held accountable, then, as Castilla (2015) found in a longitudinal analysis of a large private company covering 9,000 employees, the distribution gap in compensation across different groups performing the same work can be significantly decreased. These results, though quite startling when compared to other studies, are also hopeful. Transparency and accountability policies, when fully implemented can reduce unfair compensation practices.

It is also important to note that, “individuals evaluate their attitudes, actions, and attainments not only in absolute terms, but also relatively, by comparing themselves with those whom
they perceive as similar and contrasting themselves to those whom they perceive as different” (Baron & Pfeffer, 1994: 193). Cobb and Stevens (2017) utilized this observation in their analysis of employment data from the 48 contiguous United States between 1978 and 2008. They found that employees in large firms have a tendency to make social comparisons about wages, and that as a consequence firms adopt practices such as wage compression, to help lessen the damage that such comparisons might cause to the culture of the organization. Their results show that as the number of workers employed by large firms decreases over time, so income inequality increases. Importantly from our perspective, larger firms will typically pay lower-wage workers more than the market value, and higher-wage workers less than the market value. Hence, larger firms are advantageous, from a reward perspective, for those from traditionally disadvantaged groups who, as we have seen, are typically hired into, and tend not to be promoted from, lower-level positions. The correlation between employment concentration and inequality was also analyzed by Cobb and Lin (2017) who demonstrated that as the number of people employed in large firms increases, so inequality goes down, an observation that holds in countries around the world. Thus, compensation practices in large firms, particularly if they are publicly available and attributable, tend to decrease inequality.

We also know, however, that compensation practices vary according to employment status even for those doing identical jobs (Bidwell et al., 2013). That is, while employment in large firms is advantageous for lower-level employees, if work is outsourced away from the firm, those workers doing a similar job will almost certainly be paid less than if they were part of an internal labor market. By contrast, firms then often increase the pay of more skilled workers and senior managers (Baron & Pfeffer, 1994; Bidwell et al., 2013). While temporary and part-time contracts have always been a feature of seasonal work in many parts of the world, Hamann and Bertels (2018) demonstrate how these have become a more prominent component of a broader outsourcing strategy that further shifts the opportunity for value
appreciation away from lower level workers and more towards owners and senior executives (see also Dube & Kaplan, 2010).

Bapuji, Husted, Lu and Mir (2018) further assessed the distribution of value by examining the ways in which firms contribute to inequality by aggressively pursuing strategies to maximize revenues while decreasing costs. Stock options and performance-based compensation further skew the value distribution towards those in the executive class and away from those at lower levels of the organization. Using data from the largest 350 firms in the US, Mishel and Wolfe (2019) showed that, while in 1965 the CEO-to-typical-worker compensation ratio was 20:1 and in 1989 58:1, by 2018 that multiplier had reached 278. Further, they found that while wages for the typical worker grew between 1978 and 2018 by 11.9%, CEO compensation grew by 940% (Mishel & Wolfe, 2019: 1). This of course is predicated on an efficiency motive whereby more senior executives are perceived to be in a highly mobile global marketplace and thus must be paid accordingly, something that Hargreaves (2019) showed is manifestly false. By contrast, outsourcing tasks that were previously held within the organization and subject to the controls of an internal labor market allow the firm to take advantage of reduced levels of compensation with wage stagnation and decline occurring for a large proportion of those in lower level positions (Fine et al., 2019). The decline in unionization in many parts of the world has further amplified these effects (McKinsey, 2018). Combined with Becker, Kraus and Rheinschmidt-Same’s (2017) finding that those from lower class backgrounds are much less likely to contest their disadvantaged position than those from the upper classes who strive to retain the status quo, the likelihood of systemic change being realized is unlikely.

The shift in compensation practices is further evidenced by how many workers who used to be employed have now been pushed into temporary or “zero hours” contracts, or have been forced to become self-employed, for example as delivery or taxi drivers (Bell &
Blanchflower, 2013). In the UK, for example, the Office for National Statistics reported that in 2004 104,000 people (0.4% of the population) were employed on zero-hour contracts; by 2019 that figure had increased to 896,000 (2.7% of the population) (ONS, 2019). In addition to lower direct compensation, other employment costs and risks are also often pushed onto the worker and away from the service provider, which is able to increase rewards for senior managers and shareholders. The ongoing technological transformation of many industries, such as through the introduction of artificial intelligence and the use of ‘big data’ is also having profound effects on many of those performing front-line roles (Davis, 2016). For example, the advent of driverless vehicles will likely significantly reduce the number of truck drivers, while more automated healthcare monitoring, diagnosis and even drug administration will impact the number of health care professionals performing minor care roles. As such individuals with limited skills and education move out of the workforce, they will find it increasingly difficult to find new employment. Thus, digitalization is exacerbating the bifurcation we described earlier with benefits disproportionately accruing to those who are highly educated while those who are not find themselves increasingly disadvantaged (e.g., Acemoglu & Autor, 2011; Marmot, 2015).

Exploitative and discriminatory practices. The literature we reviewed also points to how compensation practices are established in order to deliberately exploit some groups in the belief of maximizing efficiency. An extreme example of this occurs with the hiring of illegal immigrants who, because of their vulnerability to discovery and deportation will accept low wages without complaint. With no apparent options, such forms of exploitation are rarely challenged. Modern slavery is an insidious example of this type of exploitation with a recent report in the UK noting how some organizations involved in construction, agriculture, shell fishing, car washing, and nail bars have exploited workers who may or may not be in the country illegally, often do not speak English, and feel compelled to pay off debts.
incurred to bring them to the UK (The Nature and Scale of Labor Exploitation Across all Sectors Within the United Kingdom, 2018).

Further, despite the supposed closer proximity of Northern and Southern workers, transnational inequalities remain intact (Castro & Holvino, 2016; Hayes, Introna & Kelly, 2018; Kelan, 2008; McCarthy & Moon, 2018). For example, women from the Global South are frequently seen as oppressed, lacking confidence and in need of patronage from those in the North. As Munir et al. (2018) showed, this image is often used to mobilize women to join factory work, often at a fraction of the wages that were being paid to men, hence not only producing inequality within local organizations but also maintaining the larger inequality between the Global North and South.

Exploitation is also often rife through global supply chains in which workers in the South are often mobilized into poorly paid, dangerous extractive and factory work (e.g., Hamann & Bartels, 2018; Marmot, 2015; Munir et al., 2018). As Alamgir and Alakavuklar (2018) have shown in the case of the Bangladeshi garment manufacturing industry, monitoring worker abuse is difficult when multinationals engage with networks of subcontractors. It is only when accidents happen, as when the Rana Plaza building located in Dhaka collapsed in 2013 killing over 1,100 people, that multinational firms are questioned. Alamgir and Cairns’ (2015) work on the extreme, long-term, and systematic economic deprivation of the “perpetually temporary”, or “badli”, workers in Bangladesh’s jute mills and Munir et al.’s (2018) study of textile mills in Pakistan similarly shows how inequality is created and sustained by compensation practices realized across global production networks. Riaz (2015) also draws attention to the ways in which global supply chains have inherent inequities structured into them with well-paid design and executive positions contrasting with those involved in retail and production.
A further example is provided by Berry and Bell (2012) who investigated the ways in which compensation practices supported by labor laws in the US contribute to the reproduction of inequality. They conclude that, while differential pay on the basis of gender or race is widely considered unacceptable, “class-based differentials are still widely viewed as legitimate” (Berry & Bell, 2012: 244). This may be because, as Acker (2006) has pointed out, class differentials are viewed as inevitable, something that was not always the case, particularly during the depression of the 1930s and the social movements of the 1960s. In focusing on home health aide workers, they note how the very poorly paid personal care assistants, home health aides and the like who perform direct care work in the United States is “gendered, raced, and classed.” Further, and particularly troubling, Berry and Bell (2012) show how the labor laws and court decisions legitimate and reinforce inequalities for workers who are already economically disadvantaged.

Organizational Structuring

The structure of an organization comprises the formal and informal systems by which decisions are made, activities coordinated, and resources allocated. Over time, these structures become imbibed with value and are underpinned by highly institutionalized rules. The management literature has largely depicted organizational structures as neutral entities designed to maximize efficiencies through meritorious, rational, and often global development in a way that is largely separate to those acting within them. By contrast, our review revealed how these structures directly and indirectly contribute to how inequality gets reproduced within and by organizations.

Following the seminal work of Baron and Bielby (1980) there has been a steady, if not large, stream of research focused on how organizational structuring can shape inequality. Tilly (1998: 15), for example, accentuated the role of organizational structure in creating “durable inequality” noting that shifts in attitudes “will have relatively little impact on durable
inequality, whereas the introduction of new organizational forms . . . will have great impact.”

Acker (2006) has similarly pointed to the role of organization structures in constituting inequality. Our review of the literature revealed two mechanisms by which the structuring of organizations reifies inequality: the creation of organizational cultures; and, the establishment of hierarchies that concentrate and fortify power structures in ways that support bureaucracies that significantly advantage some and disadvantage others. We consider each of these here.

**Organization cultures.** In her seminal research on organizations and inequality, Acker (1990; 2006) argued that terms such as job, role performance and task were deeply embedded within a culture that reinforced particular ways of being. As she noted, language within organizations, developed predominantly by men, positions men as actors and women as emotional support with organizational symbols and images reinforcing and perpetuating divisions of labor, which led to the exclusion of women from positions higher up in the organizational hierarchy (see also Kanter, 1977). These consistent patterns are not the outcomes of efficient, rational and neutral organizational practices that they are often depicted to be; every aspect of organizational life and practice is imbued with values that reflect, and can perpetuate, inequality.

The role of cultural norms in actively perpetuating inequality is well exemplified in the limited work pertaining to inequality and the professions. For example, Muzio and Tomlinson (2012) outline the legal exclusion of women from most professional fields up until the first world war while Viator (2001) is among those who have charted the difficulties African Americans have had in entering professional service firms in the US. While legislative changes in countries around the world have ostensibly reduced structural disadvantages to women and minority groups, inequities remain entrenched. One of the main reasons for this is continued reinforcement of traditional values and norms that result in marginalization and subordination. For example, research has drawn attention to how male
scientists exclude women from professional networks, devalue their work, and generally make them feel unwelcome (Blickenstaff, 2005; Cockburn, 1985; Etzkowitz, Kemelgor & Uzzi, 2000). As this stream of research shows, such outcomes are not a consequence of the preferences of a few individuals but have become accepted organization norms. Rhoton (2011) also draws attention to cultural assumptions that underpin disciplinary norms within STEM (science, technology, engineering and mathematics) disciplines. She argues that scientists are regarded as being decisive, methodical, objective, unemotional, competitive, and assertive, characteristics associated with masculinity. Along with this, scientists are supposed to demonstrate a complete dedication to their work, which precludes any outside distractions such as family or care commitments, again disadvantaging those responsible for such tasks.

Control over expertise and technical knowledge is seen as another important way of limiting access to top professional positions (Blickenstaff, 2005). This is illustrated by Cardador’s (2017) examination of organizational practices within engineering firms that perpetuate the exclusion of women from moving to leadership positions. She suggests that despite measures to promote gender equality, engineering remains one of the most sex-segregated occupational fields with affirmative action initiatives intended to promote more women to managerial roles actually linked to further segregation. Women who are promoted are seen as less technically competent by their colleagues; further, they often lose their identification with engineering and are more likely to exit the field (Cardador, 2017).

In contrast to professions such as engineering, those such as teaching or nursing in which women dominate are regarded as “semi-professional” with lower “comparable worth” (Muzio & Tomlinson, 2012). This is regarded as another way of devaluing the work done by women. However, along with this, even within professions in which women are over-represented, men are more likely to occupy leadership positions (Williams, 1992, 1995). This
may be because men are regarded as unsuitable for tasks related to front-line roles and are moved onto roles that involve more managerial tasks that can lead to quicker promotions. The term “glass escalator” has been used to describe the hidden advantages available to men in occupations in which women dominate (Williams, 1992).

Research has also documented attempts to counter persistent patterns of inequality within organizations. However, this research also reveals how organizational culture often hinders the promotion of disadvantaged groups (e.g., Chesley, 2017; Desai, Chugh & Brief, 2014; Pager & Pedulla, 2015; Thébaud & Pedulla, 2016). For example, Pedulla and Thébaud (2015) outlined how the introduction of work-family policies was intended to encourage more egalitarian balancing of home and work between men and women. These policies included flexible working hours, childcare support and paid leave. However, while their introduction saw greater shifts in preferences for the balancing of work and family responsibilities among women, men continued to prefer the traditional relationships in which they are the primary breadwinners with few household responsibilities. Thus, even when available, men are generally less likely to take advantage of such policies if they feel they will be judged unfavorably by other males (see also Thébaud, 2015; Thébaud & Pedulla, 2016). Further, Chesley (2017) suggests that women who are primary breadwinners in their families continue to feel a conflict between their work and care responsibilities (see also Haveman & Beresford, 2012).

Dale and Burrell (2008) further extend our understanding of organizational culture by explaining how space in organizations is tailored to a universal, male, middle class subject. Using Foucauldian technologies of the self, which include enclosure, partitioning, classification and hierarchy, Dale and Burrell (2008) noted the ways through which organizations reproduce a segregated workplace leading to docile employees (see also Puwar, 2004). Wasserman and Frenkel (2015) developed these ideas to suggest that space in
organizations influences activities by transmitting messages of how members of different
groups should move, who they should speak to and where they should sit, often to the
disadvantage of women.

*Hierarchies and bureaucracies.* The hierarchical and bureaucratic arrangements that
are developed over time also have implications for inequality. While intended to produce
economic efficiencies, it is of little surprise that research has revealed the often subtle ways
in which inequality is perpetuated by these formal arrangements despite seminal research
such as the Hawthorne Studies (e.g., Landsberger, 1958; Mayo, 1949) and Crozier’s (1964)
work on bureaucratic systems viewing such arrangements as neutral and value-free. Kanter
(1977) was one of the earliest to identify the effects of hierarchies on disadvantaged groups.
Further, hierarchies and bureaucracies persist, along with the social orders they create. For
example, Kalev (2009) showed how less rigid hierarchical job distinctions are more likely to
break down traditional systems of advantage. Such working environments increase intergroup
contact and networking, which in turn improve opportunities for advancement irrespective of
identity characteristics. By contrast, hierarchies can reinforce division, become taken-for-
granted, and seen as impossible to challenge (Amis et al., 2017). In another study, Kalev,
Dobbin and Kelly (2006) found that the creation of formalized personnel policies had
negative effects on minorities’ access to management.

It is thus apparent that, within organizations, hierarchical structures, job specializations, and
management discourse result in a system in which inequality rather than meritocratic- or
efficiency-based decision-making is inevitable. With respect to class, this was exemplified by
Gray and Kish-Gephart’s (2013: 672) theorization of how “social class is constructed and
reinforced (often unconsciously) through routines and practices that perpetuate inequality.”
These routines and practices are socially created and accepted as legitimate ways of operating
resulting in the inequalities that are created becoming institutionalized, at which point they
become very hard to undo (Gray & Kish-Gephart, 2013). Along with this has been a further shifting of hierarchical arrangements through the practice of outsourcing jobs that can take place locally, such as to a cleaning firm or caterer, or further afield, as in manufacturing industries, leading to enhanced inequality (Williams, 2013).

Detailed insight revealing the ways in which institutionalized bureaucratic means of operating reinforce systems of inequality is provided by Hamann and Bertels’ (2018) historical analysis of South African mining companies, which reveals how low-level workers were exploited to provide greater profits for mine owners and senior executives. Particularly important is the way in which the practices put in place were not challenged for many years by those who were disadvantaged, predominantly because there was no imaginable alternative for workers other than to adhere to the rules established by the mining companies. As one human resource manager explained in an interview in the early 1990s, “People’s lives were being controlled in many ways. Their jobs were chosen, and the bus they would get on [in their village], and all of that stuff in the compounds... the compounds were cut off from society… you have this total institution, like a prison…and so you had the company maintaining control” (interview 3C1, Hamann & Bertels, 2018: 406). Thus, working class people with very limited opportunities had their work activities, levels of remuneration, and living conditions totally controlled by the mining companies. Following a series of demonstrations and uprisings, the mine owners realized that they would have to engage in some reforms. They therefore offered a “living out allowance” that allowed workers to live outside the tightly controlled single-sex compounds. While overtly intended to free the workers, in effect it freed the mine owners from having to provide living accommodation: that responsibility passed to the workers themselves and to the government. At the same time, mine owners also outsourced recruitment of labor to “labor brokers.” With labor now in greater supply, and no need to provide housing, mine owners could hire and fire workers
much more quickly: again, the economic advantage resided with the mine owners while workers were consigned to living in slums that were created around the mines and surviving on non-guaranteed short-term contracts.

As we can see from the above discussion, an important part of the institutionalization of inequality through the establishment of hierarchical and bureaucratic arrangements is the accumulation and use of power. As power is concentrated in a particular group, so the tendency is, either deliberately or inadvertently, for organization-based inequalities to be strengthened. If groups are excluded from positions of power, they are unable to voice their perspective or protect their interests (e.g., Rao & Kelleher, 2003). This has been exemplified in work that has examined how some groups become silenced and invisible in organizations (e.g., Calás & Smircich, 2006) while those at the top of organizations work to maintain the status quo. As Willmott (2015) has argued, even relatively mundane forms of oppression can become institutionalized in ordinary organizational settings (see also Dacin et al., 2010).

In summary, our purpose in this section has been to synthesize research that has provided evidence of how those organizational practices that we take for granted contribute to the reproduction of inequality. We integrate this literature, dispersed across different disciplines, to specify the mechanisms by which inequality is perpetuated unreflectively. This reveals how the reproduction of inequality is shaped by hiring practices that serve as gatekeeping mechanisms; by promotion practices that constrain upward mobility; by role allocations that confine employees to identities shaped by social categories; by compensation practices that reify economic disparities often in concert with formal laws, regulations, societal norms and traditions; and by structures that impose rigidity and reinforce extant power differentials.
Our review reveals that practices are reinforced and legitimized by widely accepted myths that have become imbued within and across the practices to provide a “rational theory of how” organizations are supposed to operate (Meyer & Rowan, 1977: 342; see also March, 2010). In the next section we reflect further on these myths and examine how research and transmission of flawed ideals has helped to reinforce the status quo. This allows us to develop proposals for how research and knowledge dissemination can be reimagined to offer ways in which inequality may be reduced, rather than strengthened, by organizational practices.

INSTITUTIONAL MYTHS AND THE PERSISTENCE OF INEQUALITY

The review preceding this section shows that mundane organizational practices make the reproduction of different forms of inequality in organizations systemic rather than accidental. Practices are regularly and predictably enacted in ways that repeatedly privilege some people over others, and yet the notion that these practices yield outcomes that are fair and just appears to be deeply institutionalized. This leads us to the third question that we raised in the Introduction: why is the practice-based reproduction of inequality so persistent and prevalent across organizations in varying domains of activity? It is to this that we turn our attention.

When confronted with ample evidence of inequality with a vast majority of those involved still believing the system to be functioning justly, one must look for underlying beliefs or myths (March, 2010; Meyer & Rowan, 1977) that allow things to carry on unquestioned. As we reviewed the literature, three myths emerged as fundamental to understanding the link between persistent organizational practices and the reproduction of inequality: the myths of efficiency, meritocracy and positive globalization. The relationships between myths, practices and the inequalities that they perpetuate are illustrated in figure 1.
By identifying and describing the salient myths that allow various inequalities to persist in organizations we are able to build bridges between the inequality and institutional literatures. Following the social constructivist perspective offered by Berger and Luckmann (1966), we hold to the position that the practices of organizations reflect the salient myths of their institutional environments, not simply the technical demands of their work activities. By adhering to these prescriptions, organizations demonstrate their legitimacy.

Thus, the formal organizational practices of the type we describe in the previous section of the paper arise in, and reflect, highly institutionalized environments. Consequently, an organization’s pursuit of success and understanding of how it is to be achieved are all institutionally defined. This creates the opportunity for the development of institutional myths to determine organizational practices – such as what is valued in a new recruit, what criteria should be used for promotion, or what levels of compensation should be set across the organization.

In the past three decades, however, institutionalists have tended to focus narrowly on how ideas and beliefs come to dominate particular institutional fields at the expense of identifying more universal myths that cut across field boundaries and explain cross-field similarities (Hallett, 2010). Moreover, institutional theorists have been inattentive to the relationships between inequality engendered by organizations and the myths that justify it. We seek to redress this by describing each of the myths that emanate from our review and synthesizing the ways in which they legitimize practices that make organizations complicit in the persistent reproduction of inequality. The uncovering of these myths along with the modes of practice implementation described earlier have important implications for future research and also for how we communicate to our constituent groups, from undergraduate students to senior executives.
The Myth of Efficiency

The myth of efficiency, in the context of this paper, refers to the false premise that adoption of efficiency enhancing practices is what leads to organizational success. According to this position, efficiency makes an organization more competitive and being competitive brings superior performance and victory. Thus, a drive for efficiency is believed to be at the heart of organizational competitiveness (March, 2010). From this perspective, formal organizational structure reflects a rational response to the coordination and control demands on an organization. As these demands become more complex, organizations evolve to adapt to them.

For example, traditional economic theories such as Transaction Cost theory (Williamson, 1981) and Agency theory (Fama & Jensen, 1983; Jensen & Meckling, 1976) emphasize that the purpose of organizations is to consistently pursue the goal of efficiency in order to maximize the returns to shareholders. In such views, organizations are considered as bundles of economic contracts with people incentivized to deliver what their job demands. Such a view implies that if there are kinks in the system – for example, individuals shirking work; recruitment, promotion or task allocation not based on merit; or compensation that is not aligned with the value an individual is creating – the relentless march towards efficiency will iron them out. Organizations should thus be blind to individual characteristics in the pursuit of greater efficiency. Our review of the literature demonstrates that different types of inequalities are perpetuated, and escape scrutiny, because of the widespread and deeply entrenched belief in this myth. This means that various organizational practices ranging from recruitment to compensation are unquestioningly assumed to be optimal responses to the pressures faced by the organization.
Our review reveals how the myth of efficiency, infused in organizational practices, has helped to create a system of taken-for-granted ways of operating. For example, the vast gap in compensation between CEO and median worker salaries is seen to be an outcome of competitive forces rather than any other factors. The absence of women from roles in the upper echelons of organizations is not seen to be a reflection of discrimination but of their “lack of commitment,” “need” for flexible work arrangements, and different “preferences”. In sum, then, the selection of individuals for particular roles, their compensation, and their opportunities for promotion, are legitimized in the name of efficiency.

Thus, when managers hire people like themselves, they do so believing that homogeneity is more efficient. One wonders, with a heterogenous worker pool, and a clear positive relationship between diversity and organizational performance, how did organization leaders come to desire and actively seek to achieve homogeneity? It is the efficiency myth that serves to obscure the fact that homogeneity based on discrimination actually reduces performance. As Kanter (1977) argued, minority members, women, and other employees with restricted opportunities ultimately lower their aspirations and commitment and engage in behaviors that reinforce negative opinions about their potential contributions to an organization.

Our review across disciplines also makes apparent how efficiency, as a prevalent myth underpinning organizational life, links practices and makes the reproduction of inequality systemic (e.g., Davis & Cobb, 2010). Hierarchical organizational structures, justified in terms of the efficiency of decision-making, actually hinder the progress of disadvantaged groups who become less likely to reach management positions (Dobbin, Schrage & Kalev, 2015). By contrast, less hierarchical working environments increase intergroup contact and networking, which in turn improve opportunities by reducing stereotypes (Kalev, 2009).

The systematic and integrative review of the literature we conducted unveiled how the mythical pursuit of efficiency helps to explain why organizational practices remain
entrenched over time. In revealing why decisions and beliefs that support the *status quo* remain unquestioned, we demonstrate how this myth helps to reproduce different types of inequality. Importantly, the myth of efficiency does not work in isolation but is buttressed by other myths including that of meritocracy, to which we now turn.

**The Myth of Meritocracy**

The concept of meritocracy implies a social system in which advancement and rewards in society are based on an individual’s capabilities and performance rather than on the basis of family, seniority, race, gender, or class (Bellow, 2003). However intuitive or desirable, the idea of meritocracy is surprisingly not that old. In fact, it was only in the late 1950s that the term was coined by British sociologist Michael Young (1958) as a sarcastic label for a new dystopia in which individuals were judged only by their IQ and effort while the discriminatory system continued to exist through particular definitions of ‘merit’.

The institutionalization of the concept of meritocracy was a dramatic step. Until the late nineteenth century, both public and private sector organizational hierarchies were based on hereditary and patronage. The earliest ‘meritocratic’ logic determining who got what position in organizations was one based on eugenics and ‘efficient’ allocation of human resources based on ‘intelligence’ or ‘mental age’. The idea was presented by Francis Galton as a benevolent one: once everyone’s ‘natural’ capacity was determined they would not be punished for inefficiency and below par performance (Bulmer, 2003). Through such a system of scientifically allocated labor to its appropriate place in the economy, increases in economic efficiency would become possible. Given that higher schooling was accordingly reserved for ‘intelligent’ pupils only, unsurprisingly, such a system led to an organization of labor that was stratified principally by class. Various changes to the system, such as comprehensive schools, where everyone could be educated, were slow to arrive and even when they did,
many argued these were essentially meant to provide more latitude within the overall system, rather than change it radically.

More recently, organizations have adopted ‘performance’ or ‘merit-based’ evaluation and compensation systems (Castilla & Benard, 2010). Despite the institutionalization of merit-based practices, our review of the literature clearly shows that entry, advancement and reward in organizations remain non-meritocratic in many important ways. This is true not just in the United States, where most studies have been conducted, but in countries around the world.

Belief in the myth of meritocracy has become so taken-for-granted that it has assumed a fact-like status. In the United States, for example, survey research repeatedly reveals that Americans believe that the system they work in is essentially meritocratic. Perhaps unsurprisingly, research shows that whites are more likely to believe that meritocracy exists and endorse the belief that minorities only have themselves to blame for their lack of progress (Fraser & Kick, 2000). But the deep-rootedness of the belief in meritocracy is reflected in studies of the disadvantaged who seem to believe with equal zeal in its existence (e.g., McCoy & Major, 2007; Haines & Jost, 2000).

Overall, an acceptance by people of their roles, and indeed lives, in organizations is an outcome of, at the highest level, the myth of meritocracy. This is supported by other myths, such as the myth of efficiency discussed above, and the myth of the American dream, which through the example of the occasional ‘rags-to-riches’ success story reinforces and replicates the ideal that anybody can be successful if they have talent and/or work hard enough.

As we show in our review, systems instituted to ensure meritocratic hiring, promotion, role allocation and compensation have very limited efficacy. This implies that many of the practices ensuring merit-based rewards are essentially ritualistic and ceremonial (Meyer & Rowan 1977). They are at best adopted symbolically to gain legitimacy but are in fact
inefficient or ineffective, not necessarily accomplishing their stated purpose (e.g., Cech & Blair-Loy, 2014; Śliwa & Johansson, 2014). As such, they frequently provide a legitimate cover for the maintenance of inequality. Thus, we need much more critical scrutiny of ‘merit’ that focuses on how individuals in organizations reconcile the discrepancies they witness in the system with their belief in the prevalence of meritocracy (Amis et al., 2017).

The Myth of Positive Globalization

The myth of positive globalization suggests a belief in the notion that globalization is broadly beneficial for everyone, a tide that lifts all boats. Such a belief is central to how organizations’ implication in global production networks is viewed. This myth springs from different sources. There is the notion that the world is more global – a misconception since trade during the colonial era was greater in many cases (Chang, 2002). Regardless, the belief is accepted unquestioningly and has, in turn, been responsible for an entire discourse on globalization strategies and the accompanying belief in global domination as a key measure of corporate success (see, for example, Cowling & Tomlinson, 2005).

The established focus on organizations as global actors has also been accompanied by an assumption that national contexts are appropriate and obvious opportunities for expansion and merely require adaptation. This assumption strengthens a view of globalization as an inherently positive exercise that requires deftly navigating different continents and cultures and adapting to global supply and demand for capabilities and labor (e.g., Birkinshaw, 2000; Lessard, Teece & Lieh, 2016).

Whereas on the face of it, a global presence and a diverse workforce gives the appearance of greater equality across nations and people, our review throws up a number of different ways in which the practices of organizations that cross national boundaries engender inequalities. This is often through the imposition of Northern norms – such as speaking English, being
formerly educated, understanding bureaucratic procedures and utilizing specified
technologies – that become “internalized” as the appropriate way to operate in place of local
practices (Hayes et al., 2018). Members of this ‘elite’, many of whom have been to top
ranked universities in the Global North or local elite universities, tend to be more likely to be
promoted to leadership positions (Castro & Holvino, 2016; Hayes et al., 2018). Further, as
drivers of migration, expatriation and globalization, transnational organizations go on
perpetuating patterns of inequality by promoting and rewarding people from a labor pool
according to firm-specific cultural capital as well as national and cosmopolitan capitals (Levy
& Reiche, 2018; see also Castro & Holvino, 2016).

The myth of globalization as the great leveler thus obscures the unequal distribution of
rewards and opportunities within global businesses. In global production networks, inequality
is often perpetuated by powerful manufacturers and retailers (Alamgir & Alakavuklar, 2018;
McCarthy & Moon, 2018). Taking advantage of low wages, combined with weak labor and
environmental laws, global brands are often seen to deny basic labor rights while knowledge
workers and senior managers located in Northern offices accrue proportionately higher levels
of compensation. Further, Munir et al. (2018) found that task allocation in a global textile
production network took place along gendered and class-based lines with women drafted in
for men due to their ‘nimble fingers’ and tendency to ‘obey’. However, the mere inclusion of
women in the labor force, at half the wages that men had been paid, was trumpeted as a
feminist, emancipation story by international donors and attributed to the positive effects of
globalization.

It is important to point out that it is not simply because of globalization that organizations are
sites where inequality gets reproduced. Rather, the myth of globalization as the source of
prosperity for all is what allows inequalities to be created and sustained. The belief that
different nations and cultures are simply dissimilar rather than necessarily embedded in a
hierarchy allows managers, and indeed scholars, to unproblematically justify differences as a consequence of local conditions rather than down to the power differentials that exist across global nodes (Westwood & Jack, 2007). Thus, the myth of globalization as inherently beneficial to organizations belies the ways in which hiring, promotion, role allocation, compensation, and bureaucratic practices sustain the reproduction of inequality. Further, the mutually constitutive links between and across the myths and practices further reify inequality. For example, not only are factory workers in a global supply chain hired on relatively low wages, they have little opportunity to increase their compensation through promotion or develop new skills by getting new role assignments (e.g., Chan, 2013). They therefore end up trapped in a cycle of low pay, limited opportunities and, often, dangerous working conditions. This is further complicated by local norms and traditions that overseas firms often fail to understand or ignore (McCarthy & Moon, 2018).

To summarize, along with the other two myths of meritocracy and efficient organizations, ‘positive globalization’ serves as the third pillar which sustains various inequalities in organizations. While believing organizations to be fundamentally meritocratic and driven by the overarching goal of efficiency, contemporary managers have internalized the notion that global business practices are harbingers of opportunities for everyone involved and thus should be unquestioningly pursued.

**FUTURE KNOWLEDGE GENERATION AND COMMUNICATION**

Our discussion of the three myths above reveals some of the blind spots that continue to exist in our research on inequality in organizations. An awareness of these myths that underpin our understanding of how and why organizational practices persist along with the inequalities they perpetuate not only promises to open up new avenues of research but should also cause us to reflect on the pictures we paint of organizations in our teaching.
**Future Knowledge Generation**

Our synthetic review suggests a need for a more critical and reflective investigation of the ways in which the three myths and the underlying practices manifest themselves across different organizations. With respects to myths, we highlight eight areas that emerged as important areas for future research. First, when considering how particular organizational practices come to be justified (Barley, 2010), narratives of efficiency, or broad utility, spring up. The fact that Taylorism – based purely on an efficiency logic – was challenged both in factories and outside, is apposite. It would be worth further investigating the specific and ongoing ways in which justifications of efficiency are linked to persistent inequality.

Second, while discourses of efficiency are often implicit and deeply buried in organizational practices, meritocracy is closer to the surface not least due to pressure on organizations to be fairer to people regardless of their identities. Our review shows that a belief in the existence of meritocracy has persisted even in places where it is absent. While we know from various studies that those who are repeatedly disadvantaged still work to maintain the system that constrains them (e.g., Dacin et al., 2010), it is important that we get a stronger appreciation for how widespread the belief in meritocracy is among different subsets of the population across different cultural and organizational contexts.

Third, it would also be useful to know who engages in the “institutional work” (Lawrence & Suddaby, 2006) required to maintain the taken-for-granted configuration of the myths of efficiency, meritocracy and positive globalization. Further, how is the “work” involved in the implementation of hiring, promotion, role allocation, structuring, and compensation practices positioned as efficient and meritocratic such that it goes unchallenged by organization members and researchers?
Fourth, where are the examples in which the belief in meritocratic practices in organizations have been challenged and even dismantled? What precipitated the change in acceptance and what actions were required to sustain the institutional change? What were the outcomes of changed practices for social and economic inequality? Such research could approach the problem from the purview of a practice, such as hiring, or a disadvantaged group, such as those from a lower socio-economic class.

Fifth, the myth of globalization as an unquestioningly positive development needs more critical scrutiny. Where globalization undoubtedly has yielded opportunities for workers and economies around the world, its benefits have not been uniformly distributed. There is a need to expand the conversation through research that brings together both beneficial and more problematic effects of globalization on organizational practices in terms of inequality. There is a vibrant stream of research focused on the challenges that global organizations and expatriate workers face and scrutinizes the selection of particular modes of global expansion (e.g., Baruch, Altman & Tung, 2016; Baruch, Dickman, Altman & Bournois, 2013; Hinds et al., 2011; Marquis & Raynard, 2015). However, this stream has remained more or less quiet on how globalization influences the various inequalities that organizations exhibit. For example, the literature on cross-cultural management (e.g., Hinds, Liu & Lyon, 2011) focuses on collaboration across borders to reduce labor costs or capture specialized expertise, without necessarily taking into account the more unequal aspects of this collaboration. Similarly, in the research on expatriation processes, the literature, while acknowledging gender disparity in favor of men, largely steers clear of problematizing it too much choosing to focus instead on how multinationals make global career mobility smoother and less expensive (Baruch et al., 2016). Addressing these issues is a significant challenge for scholars.

Sixth, we have identified three myths that have emerged from our review of the literature. We also need to be open to the existence of further myths that may be uncovered, particularly by
those in other disciplines with different theoretical lenses. Thus, the review that we have provided here should be seen as a step towards a greater understanding of why inequality persists in organizations, not a definitive outcome.

Seventh, in order to inject a more balanced sensibility into the research streams, we also need to further understand how other stakeholders in emerging economies including low-paid workers, governments, trade unions, and communities are susceptible to enhanced levels of inequality as a consequence of the ways in which myths support organizational practices. Currently, when discussing modes of entry, global sourcing, subsidiary–headquarters relations, cross-cultural management issues and so on, non-primary stakeholders are often overlooked. While an increasing number of scholars are showing interest in the plight of workers caught up in a ‘race to the bottom’ as countries compete to become the lowest-cost suppliers to well-resourced multinational firms, the ways in which roles are allocated in global production networks are still supplementary and not core to how we look at international business.

Finally, opening up to testimonies of scholars from the Global South is critical if we are to devise more inclusive frameworks for looking at organizations. Venkateswaran and Ojha (2017) explain how two of the most prominent academic associations in management, the Strategic Management Society and the Academy of Management, are overwhelmingly dominated by North American scholars. Moreover, the attitude towards developing-country scholars seems to emphasize the necessity for the latter to adopt the templates, categories and interests of their North American counterparts. If we are to seriously engage with how these scholars view the reproduction of inequality in organizations in general, and the effects of myths in particular, this has to change.

While we consider it crucial to pursue these avenues for research on myths, there are also various more specific lines of inquiry that open up when we recognize how and why the three
myths pervade organizations and legitimize particular practices. It is to these that we now turn.

**Hiring.** The literature we surveyed describes how hiring is influenced by structural and behavioral dynamics. For instance, membership of particular networks, possession of high levels of social and cultural capital and homophily all affect recruitment into particular positions. However, while this research has effectively established causal relationships between hiring and a variety of these factors, relatively less work has been done on how hiring in organizations reinforces the myths of efficiency, meritocracy and positive globalization. For example, what is the organizational process through which job specifications are prepared and advertised? How are notions of efficiency, meritocracy and globalization implicated in discussions that lead to the specification and advertising of roles? Does efficiency in hiring lead to direct or indirect discrimination or exclusion of part of the labor pool?

There are often murmurs about nepotism or racism just below the surface in organizations. When do these assume the form of resistance? Where are the examples in which the belief in meritocratic practices in organizations have been challenged and even dismantled? What precipitated the change in acceptance and what actions were required to sustain the institutional change? Finally, what were the outcomes of changed practices for inequality?

Similarly, a lot more research needs to be done on hiring across subsidiaries. While much has been done on expatriation, most of it is not from an inequality perspective. How and when does expatriation strengthen or weaken various types of inequalities? How are networks and social and cultural capital implicated in global hiring, whether from global business schools or local ones?
**Promotion.** While scholars have compared inequality in large versus small firms, there has not been scrutiny of how structural aspects of organizations influence patterns of promotion. Bureaucracies exist for efficiency reasons, while flatter organizational structures are supposed to be less efficient but more innovative. What implications do these different types of organizational structures have for employees’ career progression? Do under-represented groups tend to do better in flatter or more hierarchical organizations? How is cultural capital implicated in different types of organizations or industries?

Globalization offers attractive promotion possibilities for workers and managers working in subsidiaries. Whereas extant research on expatriation has identified difficulties and challenges for expatriates, a lot more work needs to be done on patterns within expatriation. Who is more likely to be expatriated? How are these decisions taken? Do they, for example, increase class mobility for the country where the subsidiary is based?

**Role Allocation.** One must remember that the notion of meritocracy started with a focus on ‘fit’ between the person and his/her role in society. While the state school system has ensured that the poor have an opportunity to improve their lot, most senior leadership jobs have continued to go to individuals educated in private schools and elite universities (Friedman & Lauriston, 2019). How might we overcome this?

What is the criterion that firms employ for allocating individuals to different roles? Does it differ across industries, regions or cultures? How do jobs become associated with a particular identity or group? What happens when a role changes, for example online as opposed to print journalism? Does it lead to a shift in role allocation criteria, or does the same social hierarchy reproduce itself despite the changes in the role? It would be fruitful to do longitudinal studies on how this process unfurls and investigate how the myths of efficiency or meritocracy are implicated in these changes. Similarly, when this process takes place at a transnational level,
such as when the nature of a firm’s activities in a particular country changes, it would be useful to understand the criteria used to select who is offered new roles.

**Compensation.** Senior managers’ compensation has changed dramatically over recent years in line with organizational forms, regulations and competition. Agency theory’s depiction of the principal-agent problem has been central in contextualizing discussions of how to motivate managers so that they do not stray from their first and foremost duty – maximization of shareholder wealth. The alignment of incentives is assumed to contribute to the overall efficiency of not only the organization but also the economic system. The ongoing debate of organizational responsibilities beyond shareholder wealth maximization (e.g., *The Economist*, 2019) provides an excellent opportunity to study how incentives might be changing as a manager’s job expands to include not only wealth creation but also socially useful actions. Do these changes make any difference to wage gaps? How do gender, class and race figure in these changes?

Similarly, under what conditions does the global wage gap expand or close? It has been suggested that globalization brings countries closer together economically (Fine et al., 2019). However, organization-level studies of this phenomenon are few and far between. It would be a highly productive contribution to the globalization debate if we could develop more studies of how vertical and horizontal wage gaps vary over time, by country, and by industry.

**Organizational structure.** A long tradition of critical theorists (e.g., Adler, 2012; Braverman 1974; Burawoy, 1979) has problematized bureaucracy as a form of domination justified by efficiency arguments. Institutional theorists such as DiMaggio and Powell (1983) took exception, suggesting that the bureaucratic organizational form has persisted not because of efficiency but institutional reasons. Institutional theory now provides a vast array of studies focusing on various aspects of bureaucracies. It would be highly useful to bring the insights these have generated to focus on the inequalities that often remain hidden.
Comparative studies of bureaucracies in different countries, particularly under different types of economic systems, and the various kinds of inequalities that they engender would be especially fruitful. More research is also needed to compare how different types of cultures are generated within similarly structured organizations. With the gig economy and flexible work, what kinds of organizational structures are emerging and with what consequences?

In all, focusing on the myths that allow various types of inequalities to be reproduced in organizations is a fertile area for future research. The ways in which organizational practices emerge and become institutionalized, and more importantly are enacted in ways that allow for the reproduction and persistence of inequalities, also require further investigation. Particularly important is sustained engagement over an extended period of time to allow the causal interactions and long-term effects of myths and practices to emerge (see Amis et al., 2018). Below, we elaborate on how to continue this process of problematization in student and practitioner education.

Communication

How should the realization of inequality, and in particular, the myths that obscure systemic inequality change how we teach organization and management in business schools? As things stand most business schools teach in ways that normalize white males as leaders with almost a complete absence of consideration of behaviors that disadvantage members of other groups. Such an approach implicitly, and sometimes explicitly, justifies massive inequalities. As Robert Reich (2014), Secretary of Labor in the Clinton Administration and Professor of Economics at University of California, Berkeley, pointed out, Harvard Business School cases have helped to legitimize the growing pay gap between CEOs and ordinary workers. The consequences of this for inequality across organizations and society are hardly debated in
business schools. Similarly, leadership is often taught by relying on cases of charismatic leaders with insufficient attention accorded to the dynamics of power, the influence of context, and the significance of follower dissent and resistance (Pfeffer, 2015; Collinson & Tourish, 2015).

The absence of any discussion of inequality within our pedagogical texts constitute a gross misrepresentation of reality. Our review makes it amply clear that such a representation is far away from the actual reality of organizations. Remedying it requires bringing back many of the critical sensibilities that were once part of organization theory\(^4\) but got suppressed (Hehenberger, Mair & Metz, 2019). This point is highlighted by Hinings and Greenwood (2002) who have made a powerful case that discussion of the purpose that organizations serve or who benefits from their activities have been lost since the study of organizations moved out of sociology departments and into business schools. Similarly, moral questions of who should have authority over whom, and in what ways do organizations exert domination and leverage coercion have fallen by the wayside. Further, problematization of bureaucracy as an organizational form has largely been eschewed in favor of functionalist understandings.

Any effort to bring in discussions of systemic inequality must begin with a larger appreciation of the role of organizations in society. As Stern and Barley (1996) note, the perspective must be pluralistic rather than simply that of a senior manager. We notice that even guest speakers in business schools are invariably senior managers; hardly any business schools invite low level workers into a classroom. It is simply assumed that the perspective of a worker is neither important enough nor worth understanding. Factory tours similarly shy away from discussions with unions or workers, and end with engaging with executives who appear attractive because of their authority and ability to potentially offer students jobs.

\(^4\) Indeed, the first labor process theory conference was held in Manchester Business School in 1983.
Discussion of organizational practices from a manager’s perspective inevitably means certain blind spots remain. For example, structures of disadvantage get written out of cases. Issues of power and privilege based on cultural capital and class are left out too. Business schools understand their purpose as producing new members of the managerial elite, rather than making organizations and therefore society a fairer, more just place. When stakeholders are discussed, the focus is on how organizations can ‘manage’ them rather than how an organization can be socially useful, and challenge various inequalities in society.

The three myths of efficiency, meritocracy and globalization provide an excellent platform on which to build a more pluralistic, inclusive and socially responsible curriculum. Our review could serve as a helpful entrée to organizational life below the surface and a questioning of core beliefs about organizations. As Khurana (2010) suggested in his history of business schools, managers were not always seen as only ‘agents’ of their ‘principals’ as agency theory suggests, but rather leaders in both society and the economy, with a socially, morally and historically informed view of the world. This narrowing of mindset must be reversed if business schools are to become responsive to the ‘grand challenges’ that the world confronts.

Business schools have been gradually internationalizing their curricula to cater to an increasingly global pool of students and the careers that they lead. However, the focus is mostly on modes of expansion, cross-cultural joint ventures, and so on. This instrumental focus could be replaced by more critical discussions of how outsourcing, setting up of global production networks, and expatriation processes can involve perpetuation of inequality.

In short, while business schools have certainly shown a willingness to bring in the burning issues of ethics and climate change, inequality has unfortunately not received the same attention. Our review should impress upon readers the urgency of teaching more realistic portraits of organizations where workers and managers have genders, classes, races and other points of identity that intersect. Similarly, it should encourage business school students to
debate the purpose and role of organizations in society, identifying who has power and to what end, and how they can be implicated in the persistent reproduction of inequality through organizational practices (e.g., Bell, Connerley & Cocchiara, 2009). Business schools will be doing an enormous service to society if they can help remedy this.

**CONCLUSION**

This article delineates a unique space for organizational theorists in general, and institutional theorists in particular, to contribute to scholarly discussion and debates on inequality. As our review revealed, research into various forms of inequality across disciplines has provided ample evidence that organizations are sites where inequality is produced and amplified. This research illuminates organizations as internal labor markets (Fernandez & Fernandez-Matteo, 2006; Bidwell, 2013) or as sites of social stratification (Baron & Bielby, 1980; Pager & Pedulla, 2015). We reviewed and integrated this literature but also added a novel perspective that foregrounds institutional arguments (Powell & Brandtner, 2016). More specifically, we showed that myths – the widely shared cultural ideals and rationalized beliefs about how organization ought to operate – help to explain why these patterns of reproduction are so persistent. Besides offering a unique angle for organizational scholarship to advance research on inequality, our paper broadens and advances ongoing conversations about how to break with patterns of inequality associated with people’s lives in and as members of organizations (see Tolbert & Castilla, 2017). Our approach and findings make explicit that the organizational reproduction of inequality requires careful theoretical and empirical attention. However, we also invite a more reflective and honest discussion about our complicity – as researchers and educators – in this process.
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Figure 1. Institutional myths, organizational practices and the reproduction of inequalities.
Appendix A: Literature providing insight into the practices that reproduce inequality in organizations.

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<th>Hiring</th>
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<th>Organizational Structuring</th>
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