



## Women and Men in Management Positions in Germany

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#### Definition

- Managers are defined as at least 18-year-old persons who specify themselves in the SOEP as white-collar employees in the private sector with
- extensive managerial duties (e.g., managing director, manager, head of a large firm or concern) or with
- duties requiring high-level qualifications or a managerial function (e.g., academic/scientist, attorney, head of department).

### **Shares and Earnings**

Private and public sector: Percentage of women in management 2001 to 2007 (in percent)







Percentage of managers in the private sector with persons under their direction 2007



## **Personality Traits**

Managers and other white-collar employees in the private sector by personality traits (Deviance from the general average of all adults in Germany)

#### Willingness to take risks (2004)

Locus of Control: External locus of control (2005)



· Personal willingness to take risks: Managers assess themselves to have a higher willingness to take risks than other white-collar employees of the same sex.

> Women in management have a lower willingness to take risks than men.

Women in management have a similar willingness to take occupational risks than men who are not in management.

Locus of control: Managers assess themselves in comparison to the other white-collar employees in the private sector as being less external ("Life course is controlled from outside")

# **Estimation Results**

#### Full-time employed managers in the private sector: Determinants (incl. Heckman correction) nts of gross monthly earnings 200

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	equ	ation	equa	ation
	Men	Women	Men	Women
Human capital				
Duration of education (in years)	0,013*	0,083***	0,279***	0,228***
Working experience (in years)	0,027***	0,019**	0,010	0,021
Share of part-time working experience	-0,001	-0,004***	-0,003	-0,001
Working experience <sup>2</sup>	-0,0004***	-0,0003	0,0002	-0,0002
Length of employment with current employer (in years)	0,001	0,009**	-0.002	0,012
Actual work time per week (in hours)	0,011***	0,018***	0,043***	0,058***
Segregation				
With extensive managerial duties (reference: with highly				
qualified duties or managerial function)	0,255***	0,173**		
Economic sector (ref.: manufacturing industry)				
Trade, hotels and catering, transport	-0,060	-0,178**	-0,291***	0,484***
Other services	0,057**	-0,065	-0,042	0,412***
Number of employees at place of employment (ref.: fewer				
than 20)				
20 – 199 employees	0.145***	0.111*	0.148	0.106
200 - 1999 employees	0,271***	0,195***	-0,215	0,102
2000 employees or more	0.266***	0.253***	0.035	-0.254
Percentage of women in each job	-0.001	-0.004***	-0.008***	-0.016***
Control variables				
Married living together with spouse (ref - married, but				
separated/unmarried)	0.031	0.132**	0.135	0.113
Number of children in household under 16 years	0,027**	0,069*	0,059	0,166
Spending one or more hours for housework (ref.: no hours)	-0,022	-0,187**	-0,157*	-0,448
Place of residence: East Germany (ref.: West Germany)	-0,330***	-0,351***	-0,268**	-0,248*
Selection variables				
Level of education: father (ref.: less than technical school				
degree/upper secondary school degree				
("Fachhochschulreife/Abitur"))				
technical school degree/upper secondary school degree				
("Fachhochschulreife/Abitur")			-0,138	0,285*
Don't know/no answer			-0,210	0,296
Big Five				
Neuroticism			-0.040	-0,021
Openness			0.052	0,113*
Agreeableness			-0,058	-0,109*
Extraversion			-0,038	0,043
Conscientiousness			0.026	0,154**
Willingness to take risks in occupation			0.064***	0,060**
Constant	7,233***	5,845***	-5,890***	-6,145***
N	736	180	1297	807
2				

#### ... to the earnings:

Wages are not only lower in female occupations ("evaluative discrimination"); women also earn less than men in these occupations ("allocative discrimination").

Not taking selection effects into account leads to an overestimation of females' wages and an underestimation of males' wages.

.... to the gender pay gap:

Oaxaca-Blinder-Decomposition of the wage differential between						
women and men						
	% Endowment effect	% Remainder effect				
	(explained)	(not explained)				
Heckman Selection:						
Without	69.8	30.2				
W/ith	34.4	65.6				

"Taking into account that women and men have different probabilities to be in a management position, only one-third of the wage differential between women and men can be explained by differences in the chosen individual characteristics.

"This indicates that social and cultural conditions, which also contain discriminating structures and practices on the labor market and in the firms, have a significant influence on the different wages for women and

- ... to the selection into a managerial position:
- · Only a weak correlation between the Big 5 personality traits and the managerial position.
- There are no significant differences between women and men in any of the personality traits when other characteristics are controlled for.

"The chances for women to be in a managerial position are similar to men when it comes to personality traits when both have the same education and work experience, the same social background and identical family situations, and work in the same sector, the same job with identical working times."

#### The results prove:

> The theory of human capital cannot adequately explain the gender pay gap in managerial positions.

> The gender-specific segregation in the labor market plays an important role in explaining the pay gap between women and men.

> Analyses of gender pay gaps should consider that the probability to be selected into a management position is different for women and men.