**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
- 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)

Monthly gross earnings (mean) and gender pay gap (in percent) of managers employed full-time in the private sector 2001 to 2007

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

(Wilfullness 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: Mean monthly gross earnings 2006**

**Demand-side influencing factors**

- Gender
- Household composition
- Place of employment
- Professional qualification
- Location of residence
- Education
- Locus of control
- Working experience
- Number of employees at place of employment
- Duration of education
- Occupation
- Level of education
- Employment contract
- Industry
- Trade, hotel and catering
- Transport
- Other services
- Number of children

**Selection variables**

- Father’s education
- Parental occupation
- Parental education
- Parental industry
- Marriage
- Trade, hotel and catering
- Transport
- Other services
- Full-time employed managers in the private sector: Determinants of gross monthly earnings 2006

**... 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:**

- **Osborne-Blinder-Decomposition of the wage differential between women and men**
  - % Endowment effect explained
  - % Remanider effect (not explained)

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 managerial position is different for women and men.