

What Prevents Female Executives from Reaching the Top?

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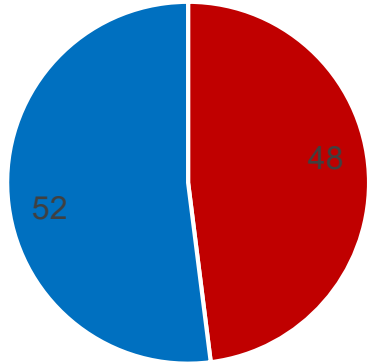
with

Matti Keloharju, Aalto University, CEPR, and IFN

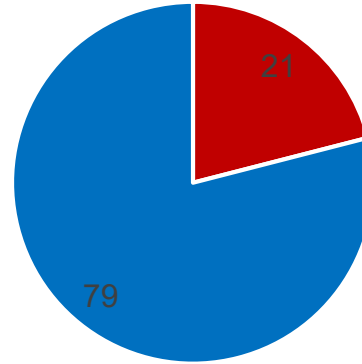
Samuli Knüpfer, BI Norwegian Business School and IFN

Why executives?

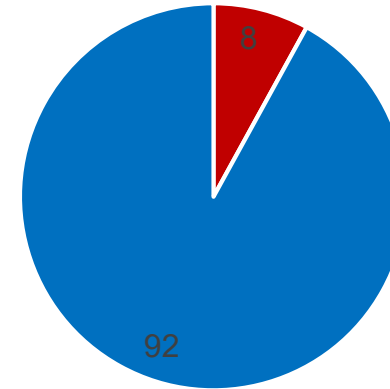
Labor force



Executives

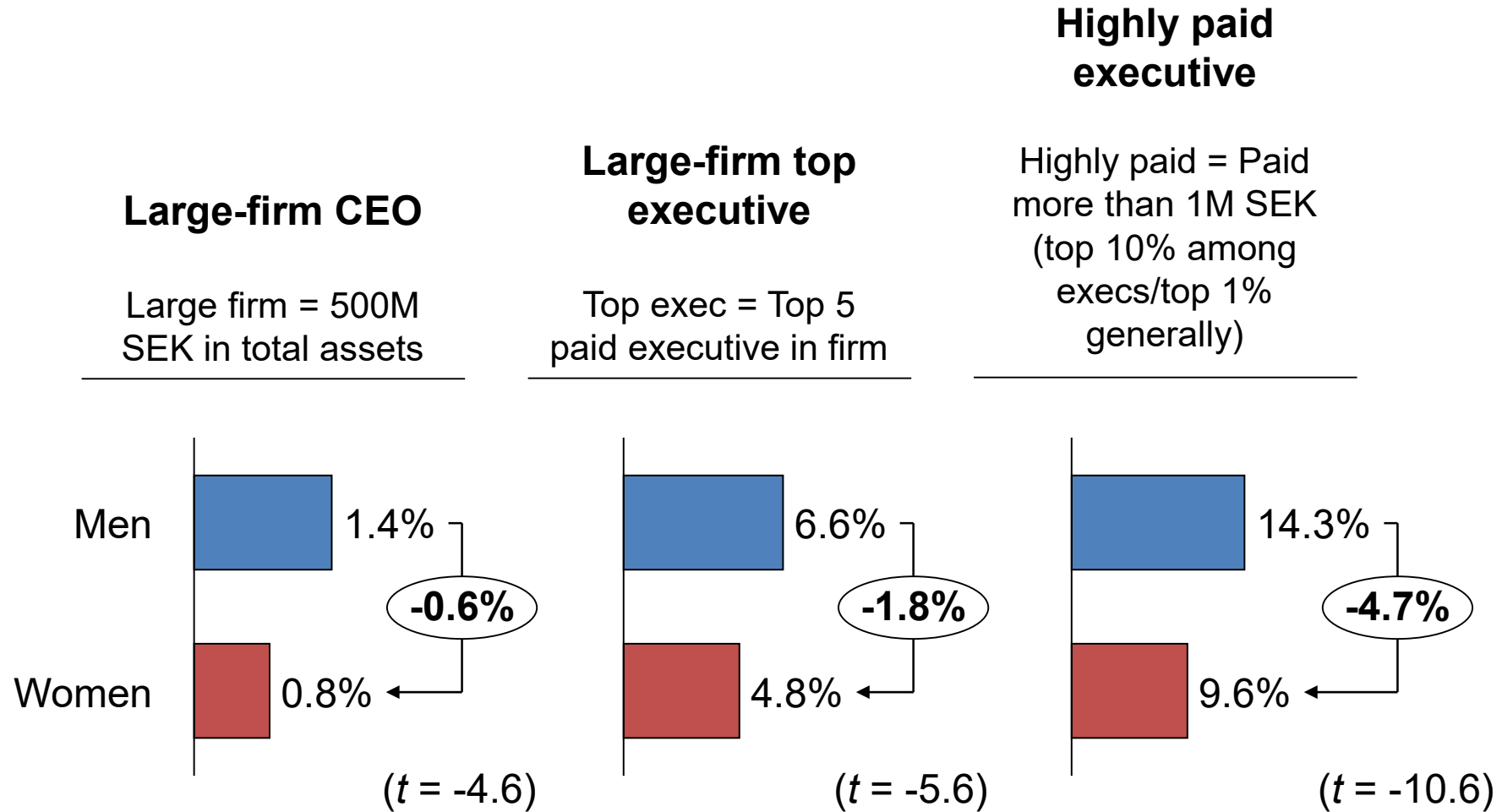


CEOs



1. Important decision makers and role models
2. We know relatively little about gender differences in characteristics of executives and their contribution to gaps
 - Self-selection
 - Opportunity costs
 - Resources

Gender gaps in appointments and pay



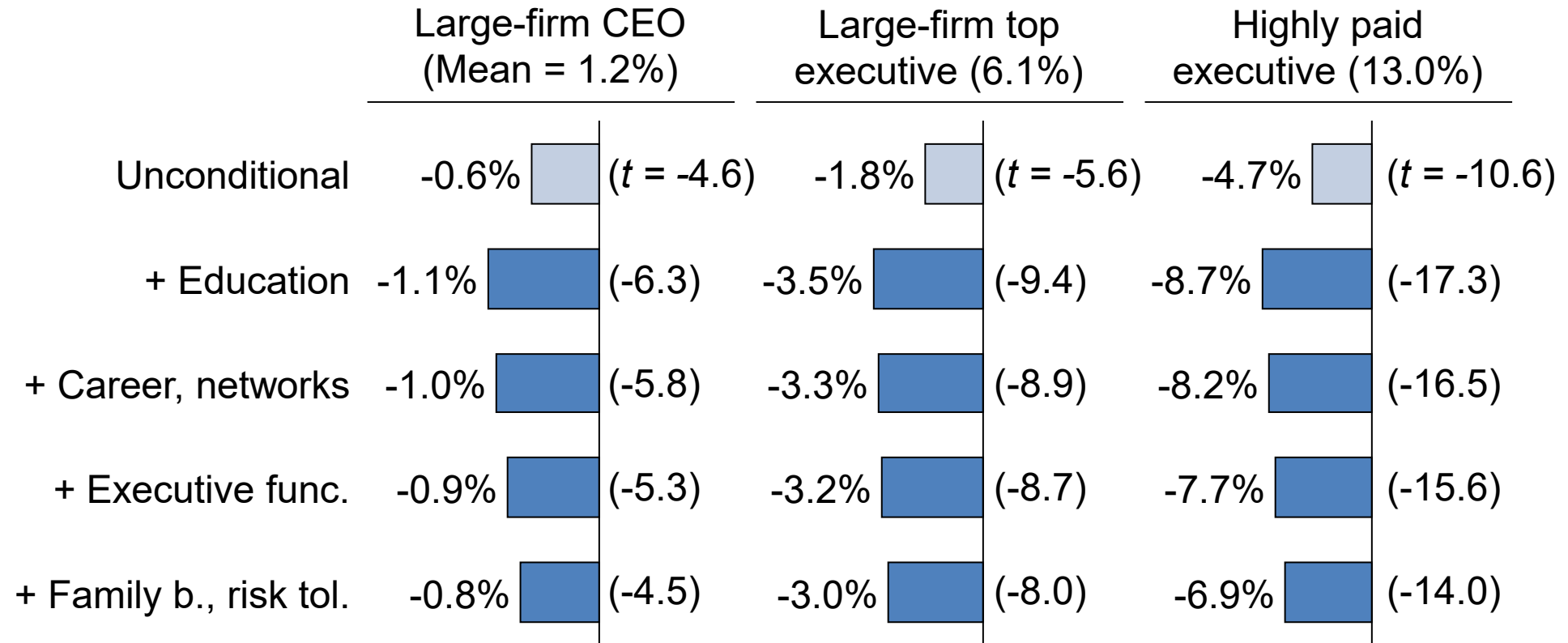
Selected qualifications that favor women

	Women	Men	Diff.
University education	0.475	0.297	0.178
Business and economics degree	0.431	0.235	0.196
Top executive education track	0.215	0.144	0.071
Top executive high school	0.119	0.084	0.035
# industries worked in	3.271	3.038	0.232
# firms worked at	4.898	4.352	0.546
# years of consulting or IB exp.	0.506	0.317	0.189
Work in birth county	0.424	0.487	-0.062
Mother is university educated	0.278	0.230	0.047
Father is university educated	0.215	0.166	0.049
Imputed cognitive ability	0.384	0.248	0.135
Imputed officer rank	0.201	0.161	0.040
Imputed high school GPA	0.082	0.002	0.079

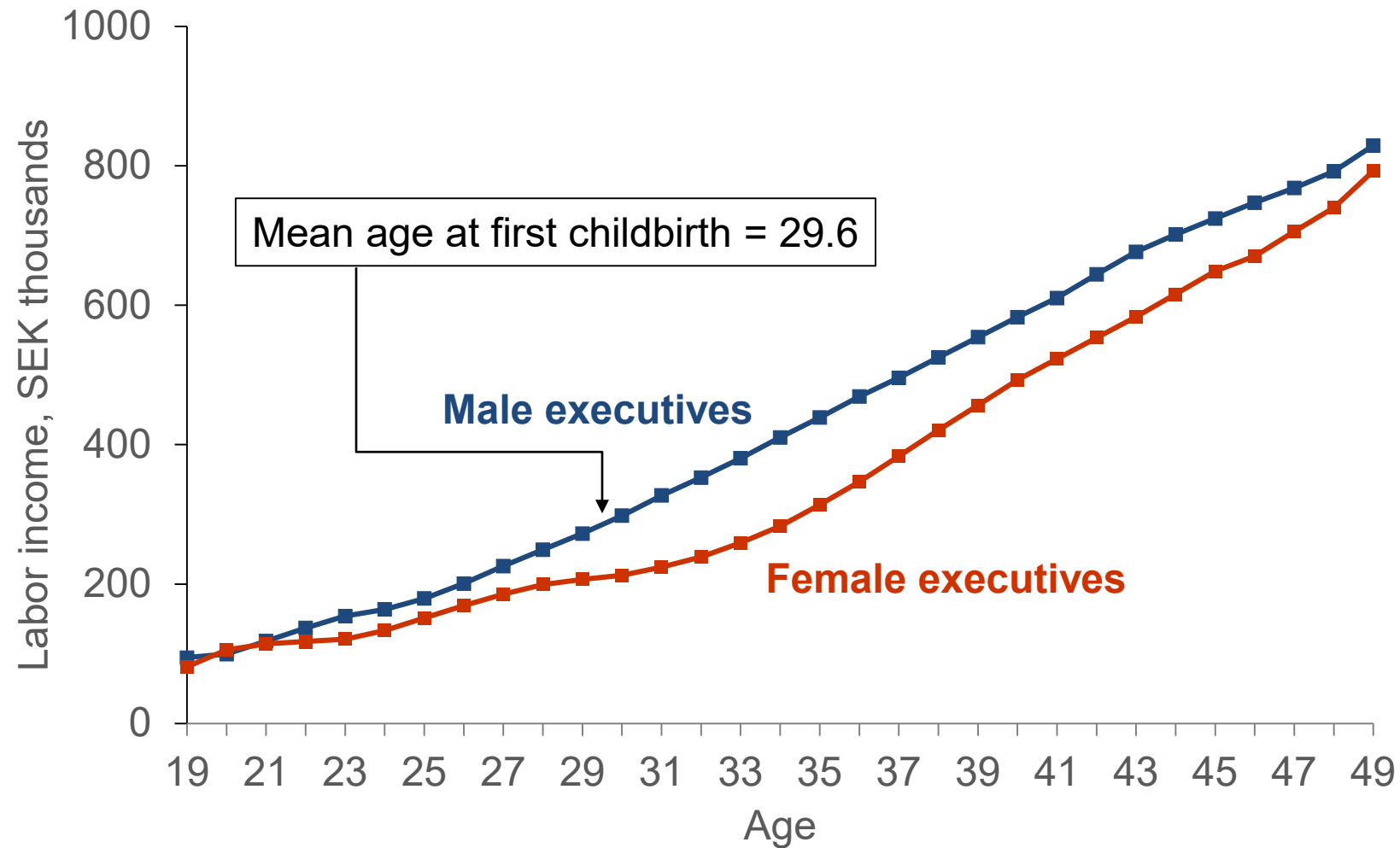
Selected qualifications that favor men

	Women	Men	Diff.
Engineering degree	0.163	0.515	-0.351
# years of labor market experience	20.25	22.31	-2.06
# years in firm	6.023	7.137	-1.114
# years of non-profit experience	0.149	0.081	0.068
# days unemployed	154.7	131.7	23.0
Production and operations function	0.135	0.173	-0.038
Sales and marketing function	0.045	0.074	-0.028
Personnel and IR function	0.036	0.008	0.028
Advertising and PR function	0.010	0.002	0.008
Stock market participant	0.495	0.654	-0.159

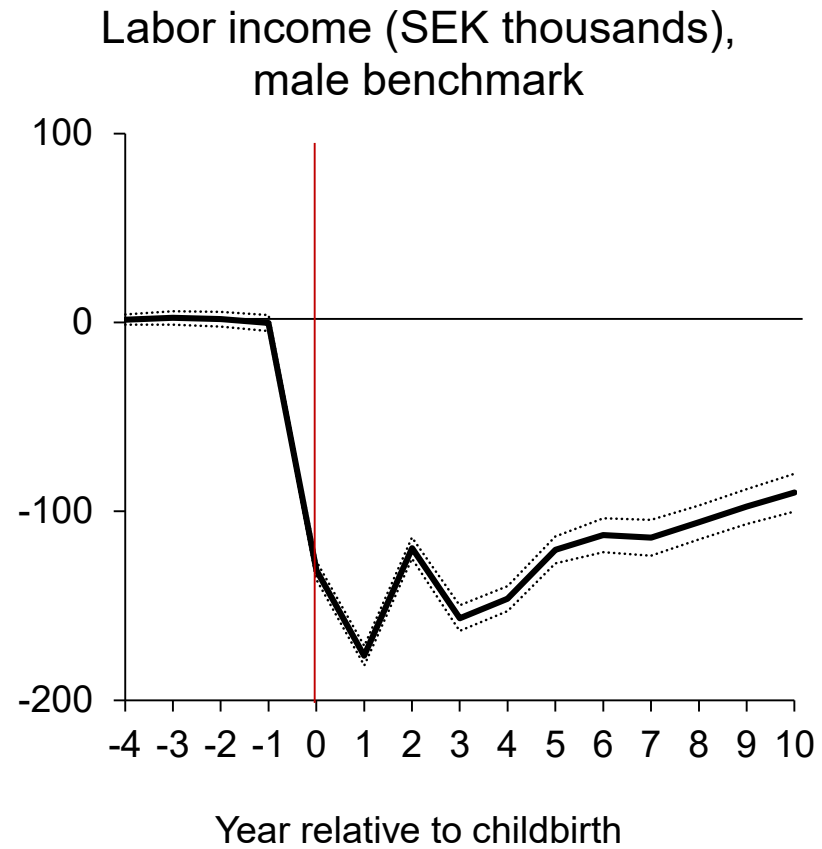
Qualifications widen gender gaps



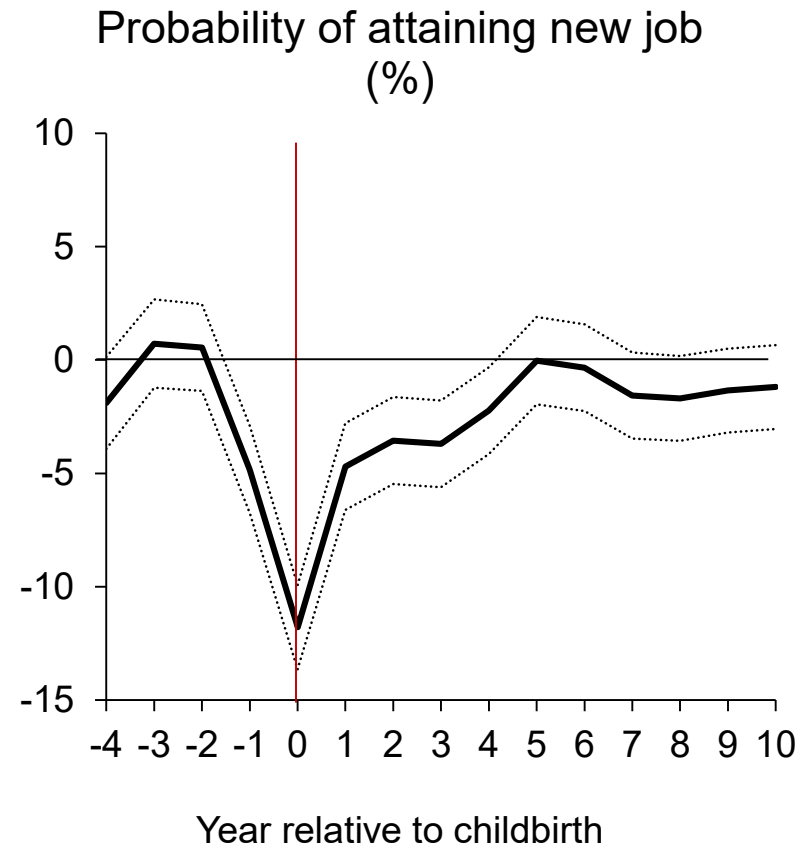
Career trajectories by gender



Careers around childbirth



Careers around childbirth

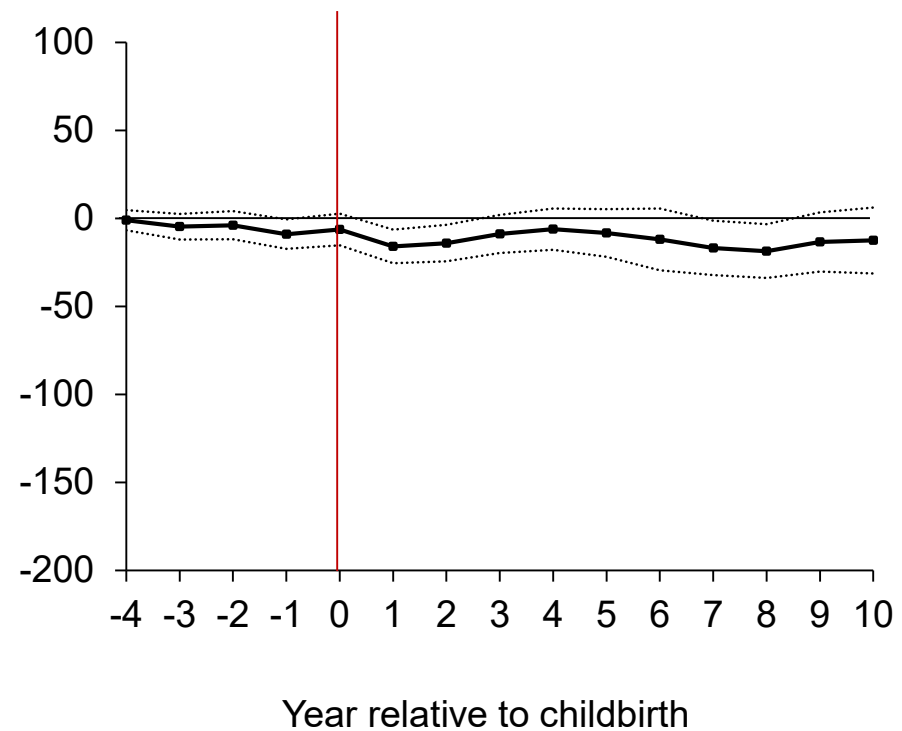


Absence from work and work hours

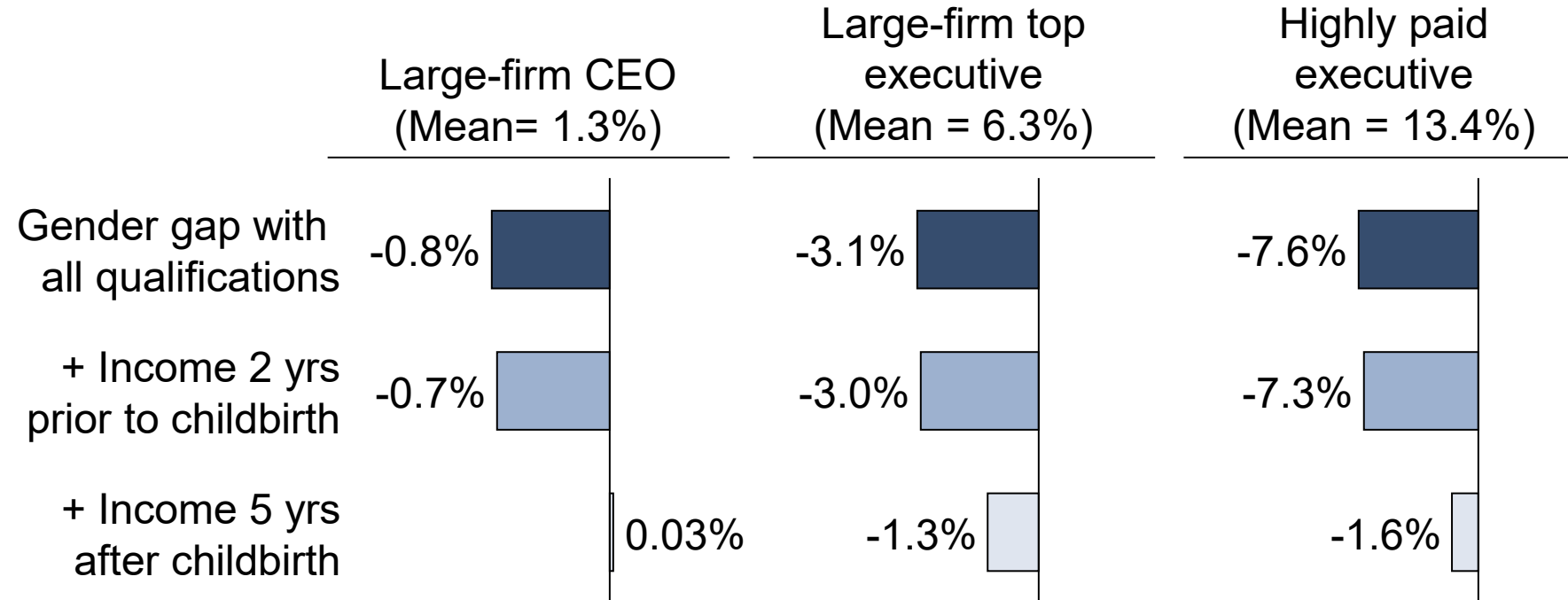


Setbacks independently of partner potential

Labor income for female executives
with career disadvantage vs.
advantage



The role of children in explaining gender gaps



▼
Career progression in the five years following childbirth accounts for 60%-100% of the gender gaps in 40s

Takeaways

- Large gender gaps in appointments and pay
- Observable differences in qualifications do not explain gaps
- Child penalties play prominent role, which suggests policy focus on early career progression
- Slow moving trends, structures in the 1990s still play a role

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