



NEW REPORT: Gender differences in corporate hierarchies

A [new IZA World of Labor report](#) finds that careers of men and women diverge immediately upon entry into the labor market contributing to the gender wage gap. This is partly due to differences in educational choices made by men and women.

The last 50 years have witnessed a notable convergence between men and women in labor force participation, hours worked, wages, and educational level. Despite this progress, , women are still less often found in high-paying occupations, and a substantial gender wage gap emerges in early career.

According to a new report by Finnish economist Antti Kauhanen of The Research Institute of the Finnish Economy, the gender differences in careers are already evident in the first job assignments. Kauhanen cites a number recent studies which conclude that women are much more likely than men to begin their careers at the bottom levels in the hierarchy. The difference in initial job assignments is partly due to a divergence in educational background. Although the gender differences in years of education are small, differences in the field of education chosen remain large and are affecting career outcomes.

The gender differences in career progress exacerbate the divergence in men's and women's careers that is evident at labor market entry. Several studies show that men are more likely to be promoted than women. Career interruptions and having children is one of the factors that affects career progress of women. A recent study using a large Norwegian data set finds that women with children enter firms at lower hierarchy levels than women without children. In addition, women with children are less likely to be promoted, especially during the first ten years in the labor market. All in all, the results show that having children has significant implications for women's careers.

Furthermore, Kauhanen shows that in addition to educational choices and career interruptions, the hours worked, discrimination, and preferences and psychological attributes also contribute to the gender wage gap. He argues that the most important policy tools for policymakers are education and family leave policies. Education policies aimed at reducing gender differences in the field of study would reduce gender differences in careers. Policies that improve the availability and quality of childcare could potentially offer women better chances to work longer hours or at times that are more convenient. Alternatively, policies could try to increase the responsibility that men have for childcare.

Please credit IZA World of Labor should you refer to or cite from the report.

Media Contact:

Please contact Anna von Hahn for more information or for author interviews:
anna.vonhahn@bloomsbury.com or +44 7852 882 770



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Notes for editors:

IZA World of Labor (<http://wol.iza.org>) is a global, freely available online resource that provides policy makers, academics, journalists, and researchers, with clear, concise and evidence-based knowledge on labor economics issues worldwide.

The site offers relevant and succinct information on topics including diversity, migration, minimum wage, youth unemployment, employment protection, development, education, gender balance, labor mobility and flexibility among others.

Established in 1998, the Institute of Labor Economics (www.iza.org) is an independent economic research institute focused on the analysis of global labour markets. Based in Bonn, it operates an international network of about 1,500 economists and researchers spanning more than 50 countries.