

NHH

JOB, CAREER AND WAGE: WOMEN'S AND MEN'S DIFFERENT POSITION IN THE SWEDISH LABOR MARKET



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The Book contains the following 3 parts and seven chapters:

I. Wages and Occupational choice

1. The Swedish Wage Structure (Ekberg)
2. Gender Segregation in the Labor Market (Hallden)

II. Recruitment and career

3. Discrimination of women at recruitment (Åslund)
4. Wages of women and men in the middle of their careers (Boschini, Håkanson, Sjögren)

III. Men and women in leading positions

5. Selection into top positions (Bihagen, Nermo, Stern)
6. A manager's gender labeled careers (Wahl, Holgersson Linghag, Regnö)
7. Women on boards (Thorburn)



Part I:

Wages and occupational choices



How are women positioned in the wage structure?

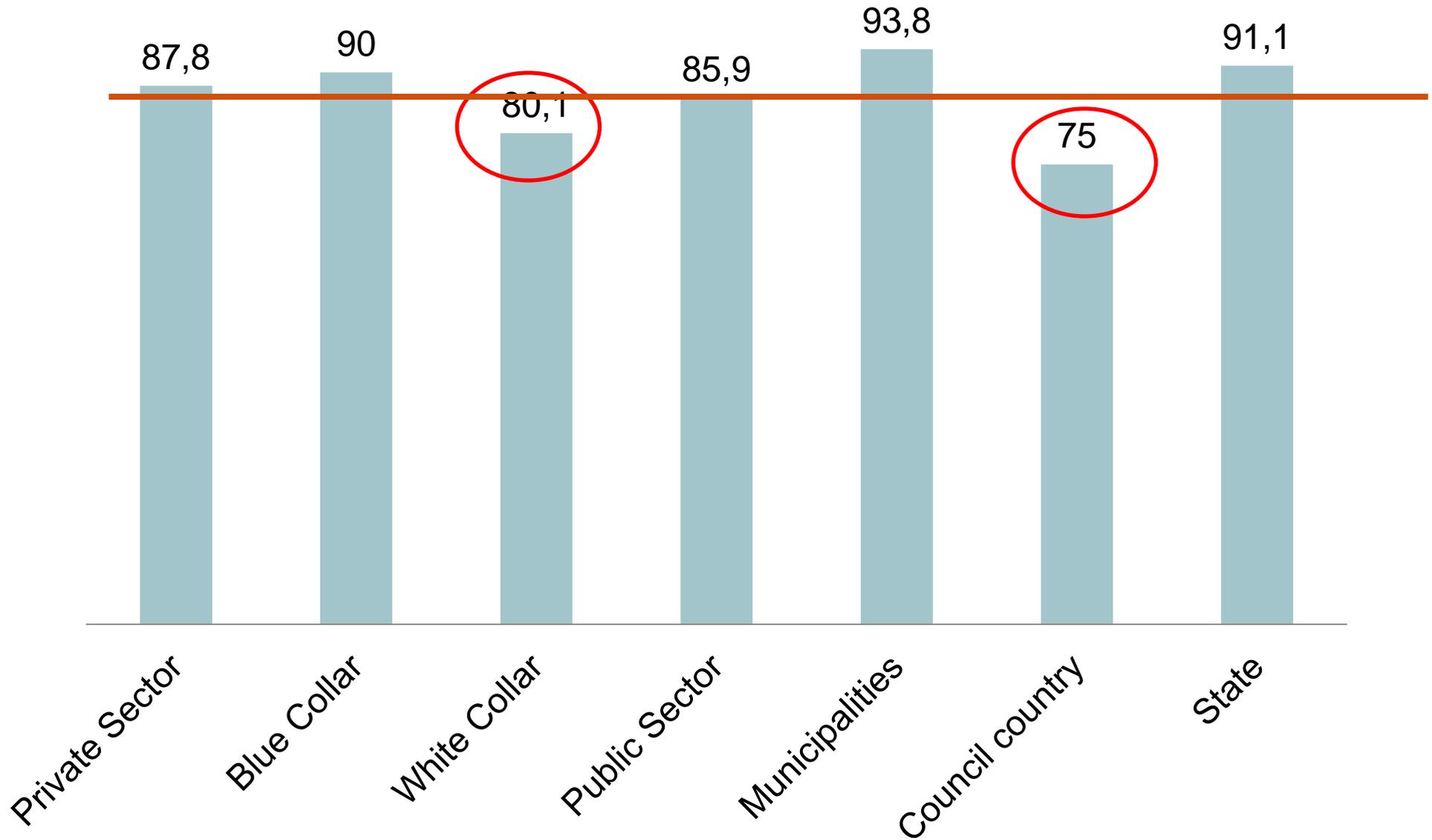
Chapter 1 by Ekberg



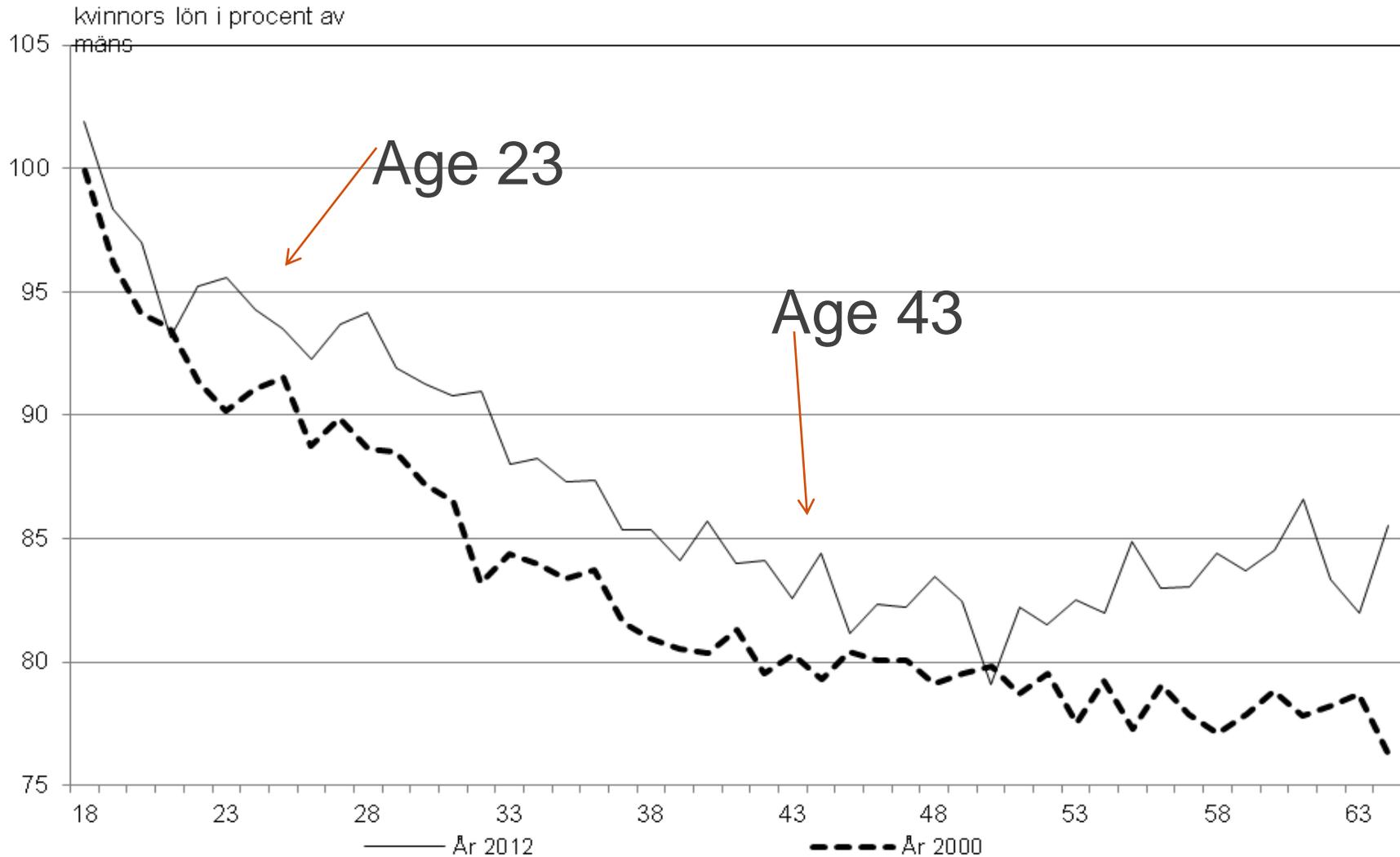
Findings based on data for 2012

- Women's earnings are on average 86 percent of men's earnings (in full-time equivalents)
 - A decrease of 3.7 percentage points since 2000
- Important determinants of the gap are sector and occupation of work
- Large variation of the gender difference
 - across sectors
 - across the distribution (the glass ceiling remains)
 - across age
 - across occupations

Female to Male Wage Ratio, by sector in 2012



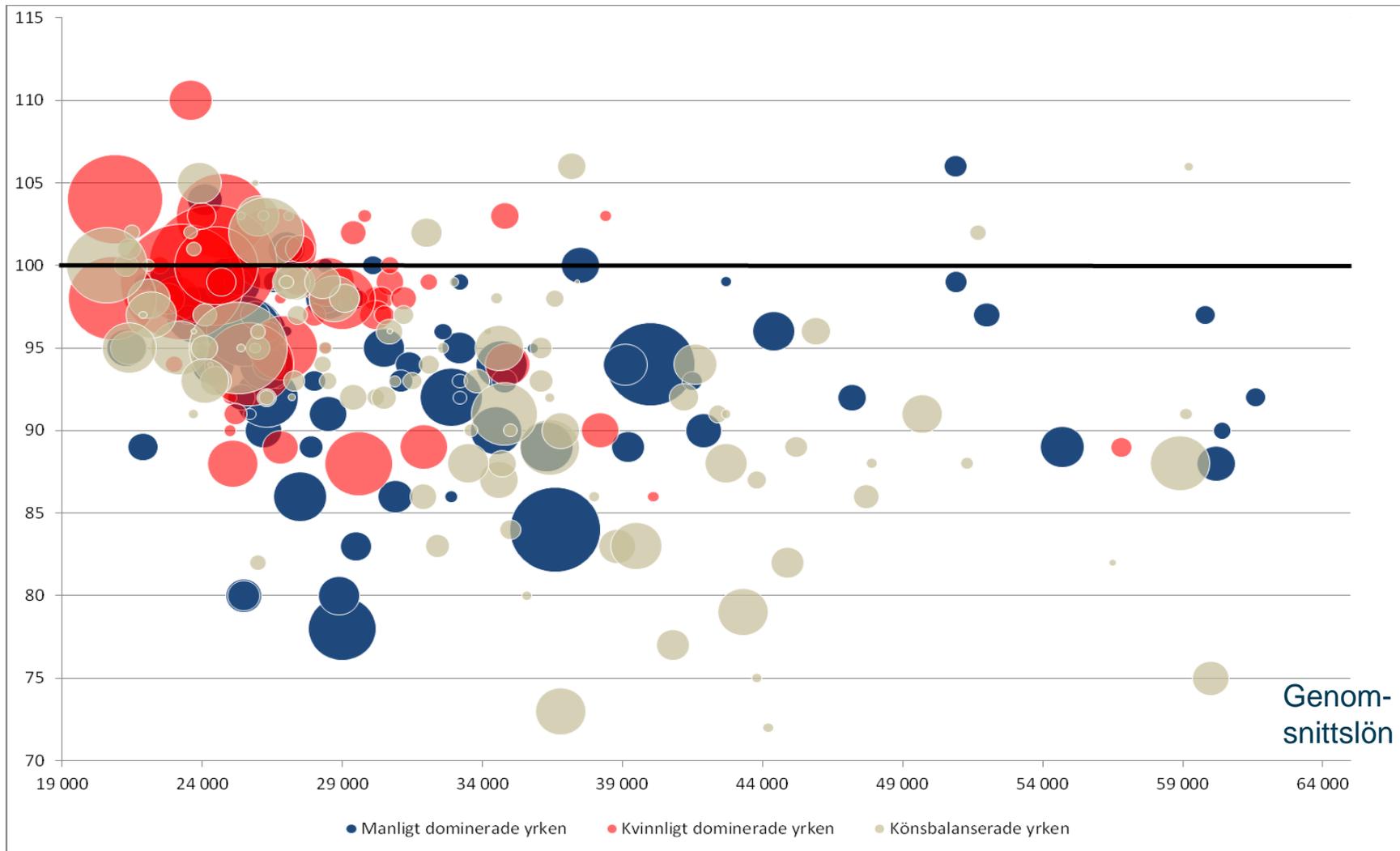
The female to male wage ratio is declining with age



Women work in large occupation groups with low wages and small gender wage gap



Women's wage in percent of male wage





How gender segregated is the Swedish Labor Market ?

Is Sweden one of the most gender segregated markets in terms of occupations?

Chapter 2: Hallden



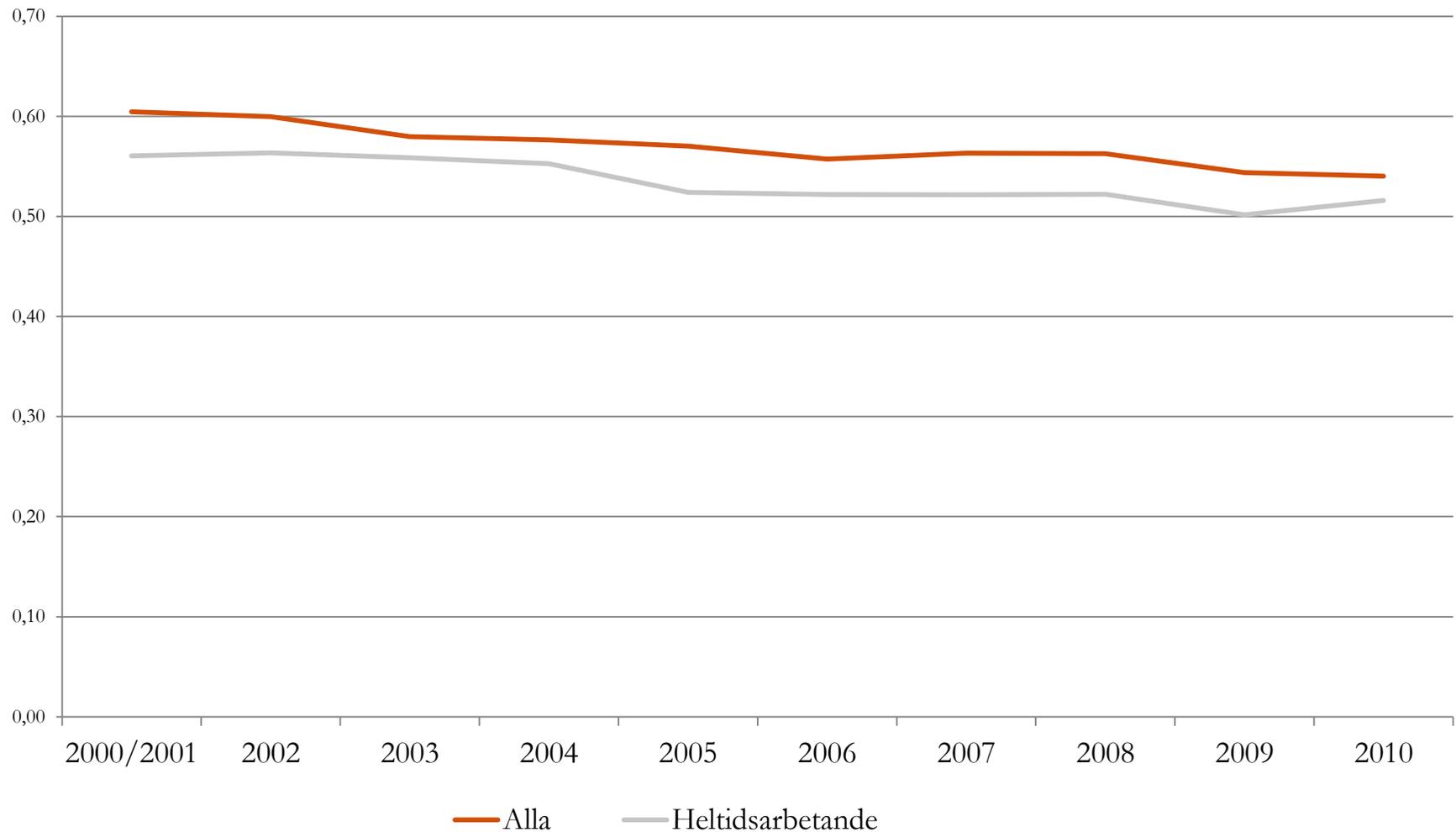
Findings

- More than half of the workforce would need to change occupation in order to achieve a perfectly integrated workforce
 - Segregation index declined from 60 % in 2000 to 54 % in 2010
 - Number of male dominated occupations (more than 20 % men) has declined from 37 % to 30 %
- Sweden used to be one of the most gender segregated labour markets. Now Sweden is more positioned in the middle of the international ranking (D&D segregation index)

Gender segregation in occupations has declined in Sweden since 2000.

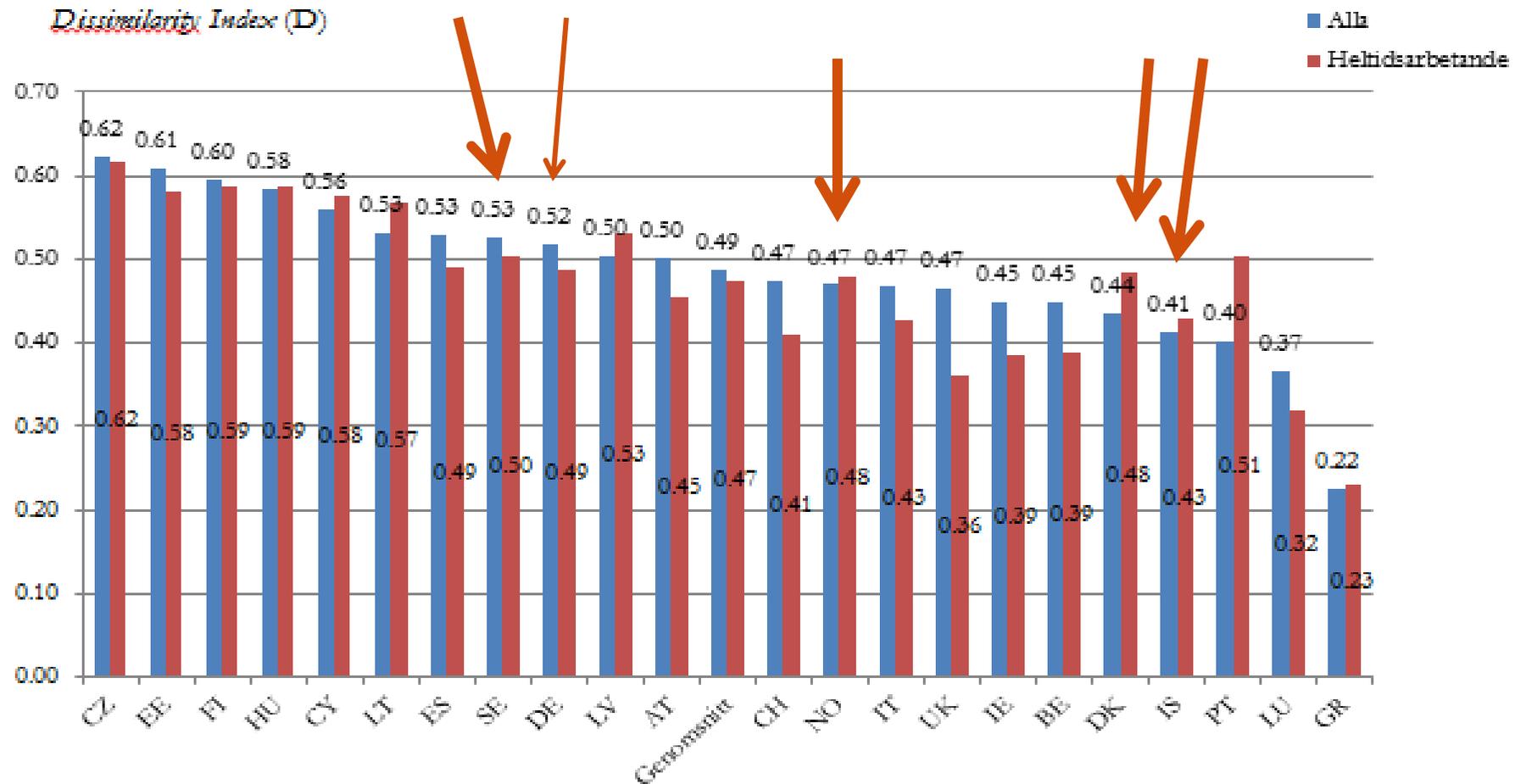


Duncan-Duncan-index





Figur 2.1. Könnssegregering etter yrke i 22 europeiske länder 2010, *Dissimilarity Index* (D).



Källa: EU-LFS 2010. Analysen är baserad på 71 yrkeskategorier (harmoniserad ISCO-88 på tresiffrnivå).

Not: Ju högre värde *Dissimilarity Index* (D) antar, desto högre är graden av könnssegregering.



Part II:

Recruitment and career



Do men and women have equal chances when they apply for a job?

Chapter 3: Åslund



Problem

- In order to diminish gender pay gap it is important that everybody has equal opportunity to get into the «good « jobs.
- Gender discrimination at the hiring process could be cause of gender differences



Question:

Are Anonymous application procedures (AAP) leveling the playing field?

AAP means:

the name, gender and country of origin of the applicant is hidden from the recruiter in the initial stages of the hiring process.



Study

- Study on the recruitment in Gothenburg 2004-2006 where for actual job openings in parts of the local administration AAP was used.
- Data from two participating districts and from one comparison district.
- Jobs were relatively high qualified jobs:
 - 6 groups: pre-school staff, teachers, social service staff, managers, health service staff and other
- Majority of workers in these jobs are women



Findings

- AAP increased the chances of advancing to interviews for women (+8.8 %)
- Women also are more likely to receive a job offer (+6.7 %)



Is AAP a suitable tool generally?

- Disadvantage:

Anonymization of applications increases administrative burden, and difficult to implement for all types of jobs

- top management jobs

- Advantage:

Effective tool to combat gender equality at hiring stage



How do women's career outcomes compare to those of men when they are 45 years old ?

Chapter 4: Boschini, et al.



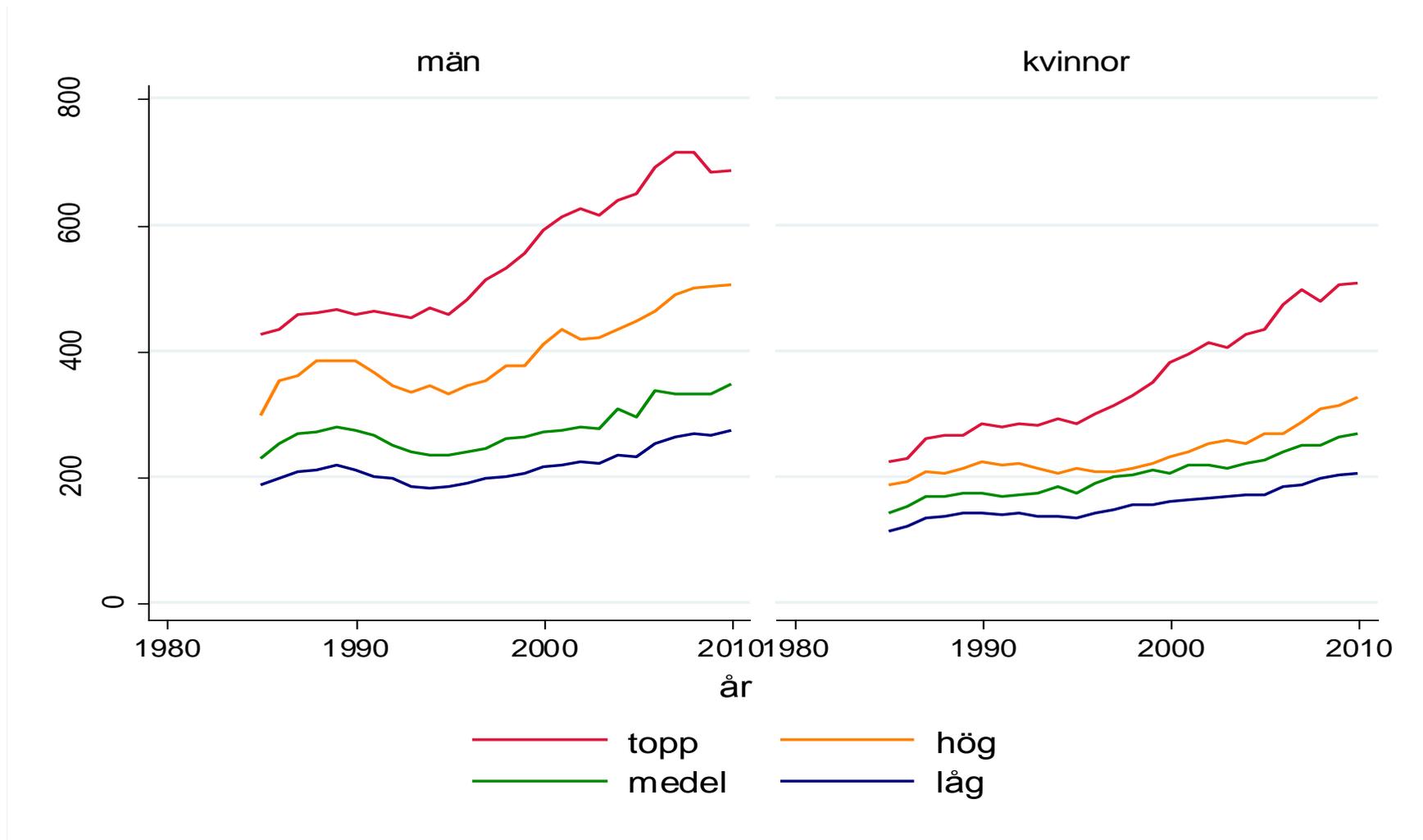
4. By age 45 do men have higher income than women on average and within qualification groups

- Trends in income of 45 year old men and women, and gender gap, during the period 1985 and 2010
- This is the age group that is finished with the intensive periods with infants
- Income of men and women is grouped into 4 qualification groups:
 - Topqualified (5 % in the highest conditional income group)
 - High qualified (percentiles 80-94)
 - Middle qualified (percentiles 50-79)
 - Low qualified (percentiles less than 50)

Men have higher income and larger variation than women



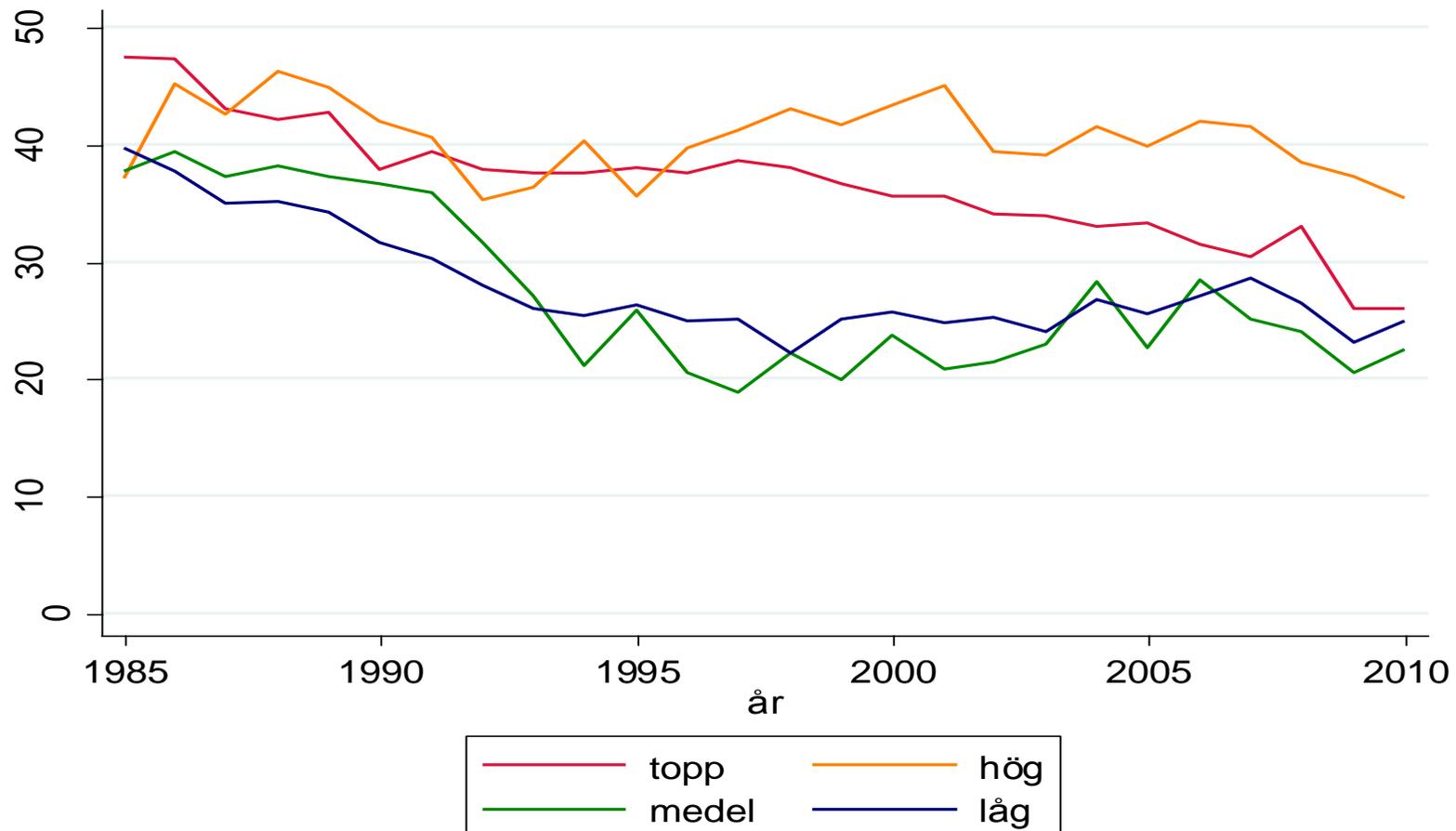
Average yearly income for 45-year old by qualification level (in 1000 kr)





Gender Income gap has declined most for the top qualified (from 48 % to 27 %)

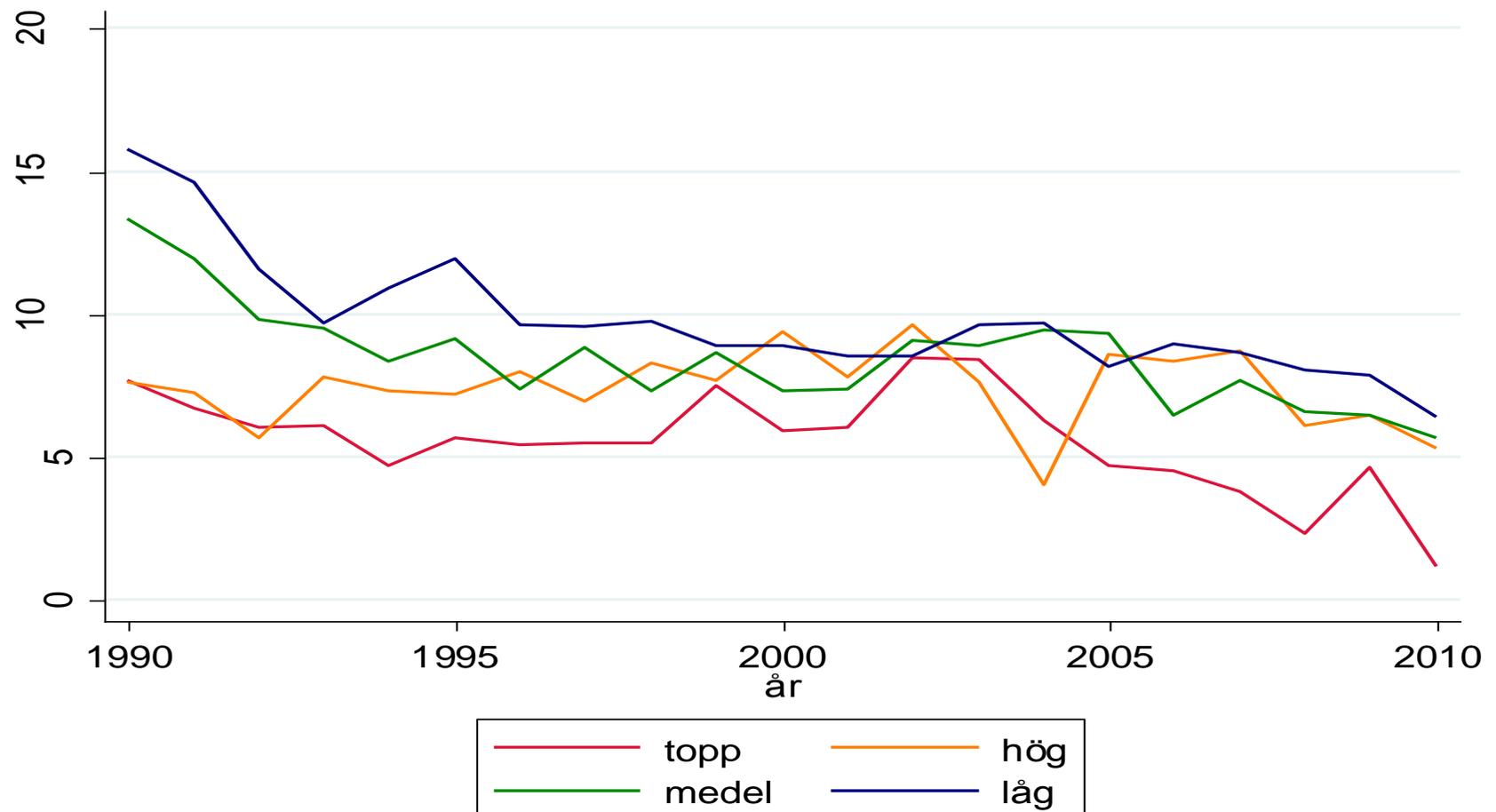
The gap is highest for the highest qualified (almost 40 %) and lowest for the less qualified (approx. 20 %)





Is the gap due to differences in working hours? – Little differences for the high qualified

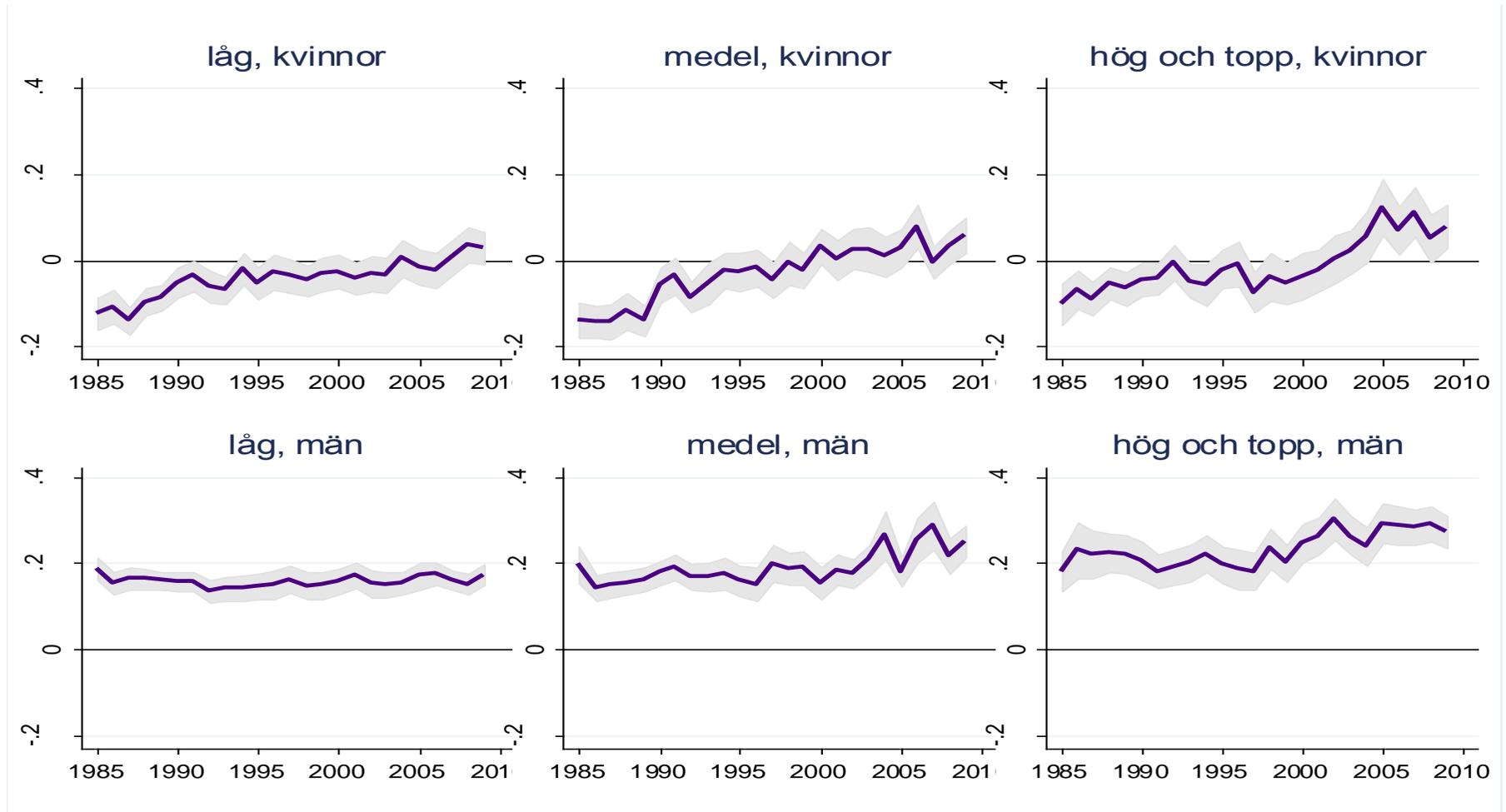
Gender gap in working hours at age 45





Income and children, for women and men

Estimates of the "family gap" (zero=group with and without children have equal income)





Part III: Men and women in leading positions



Women are
underrepresented among
those who are paid best

Chapter 5: Neramo et al.



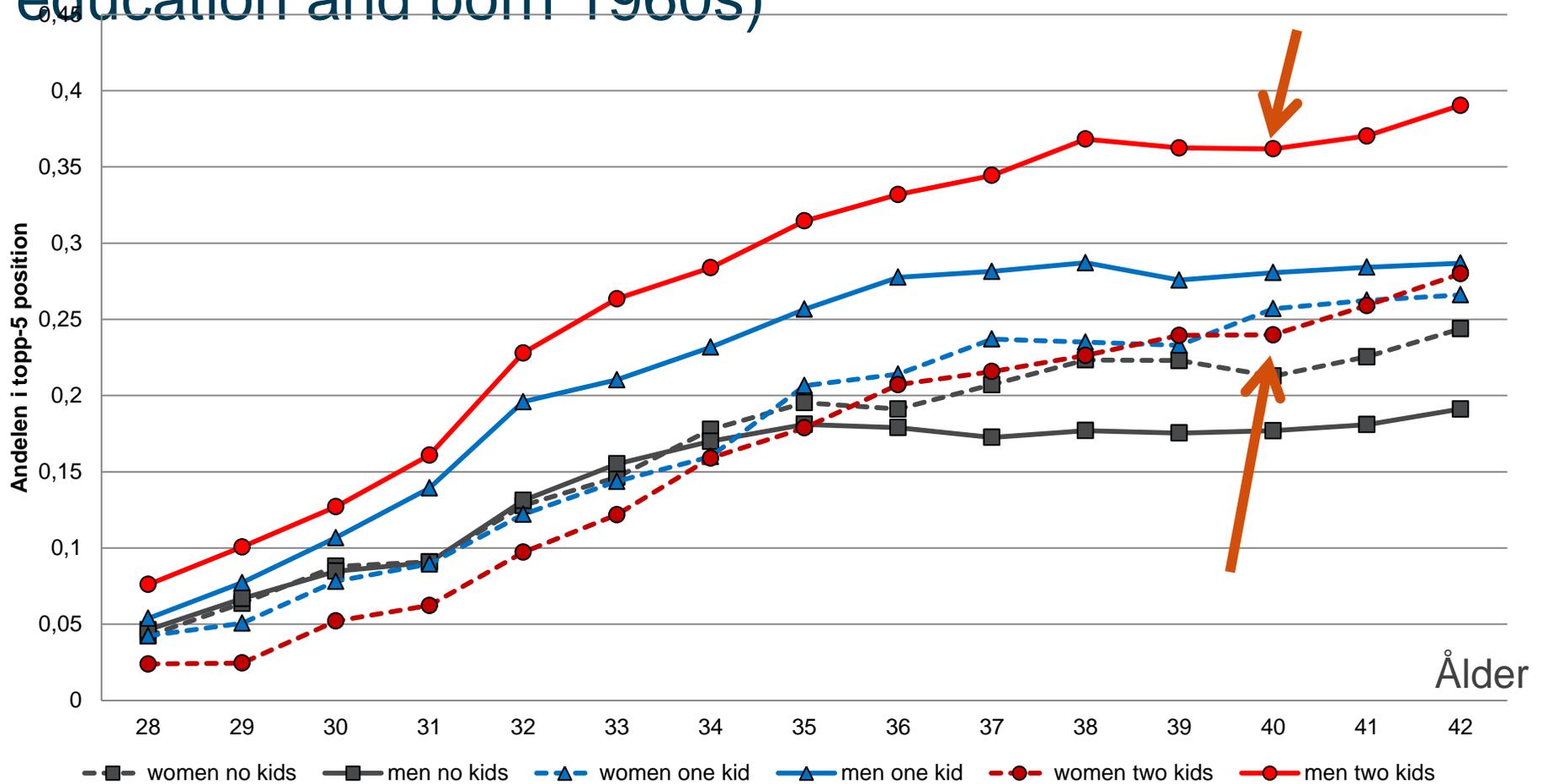
Main findings

- Study looks at the 5 % best paid individuals within the large Swedish private sector firms (with at least 500 employees), 1993-2007
- Sector with 30 percent women
- Women are underrepresented among the top paid but the proportion has increased
 - Women in the 99th percentile has increased from 6 % in 1993 to 18 % in 2007
 - Women born after 1960 have higher likelihood to enter that group than women born before
- Relation between having children and likelihood to have top income job is positive for men, and mixed for women



For men there is a strong relation between having children and a top job

Proportion with a top job (and with a prestigious education and born 1960s)





Recruitment and Careers are shaped by male norms

Chapter 6: Wahl et al.



Study

- Summary of five different studies that investigate how male norms form expectations regarding female bosses and their careers
- Observations and interviews with consultants and bosses in different organisation forms
- Male and female dominated organizations



Do women on boards make a difference ?

Chapter 7: Thorburn



Do female directors have an effect on governance and firm performance?



Findings

Voluntary board gender diversity.

- Female directors generally seem to take their monitoring role more seriously than male directors
- Gender diversity tend to improve the dynamics in the board room.
- Gender diverse boards also appear to have important spillover effects by leading to an increase in the proportion of women in top management.



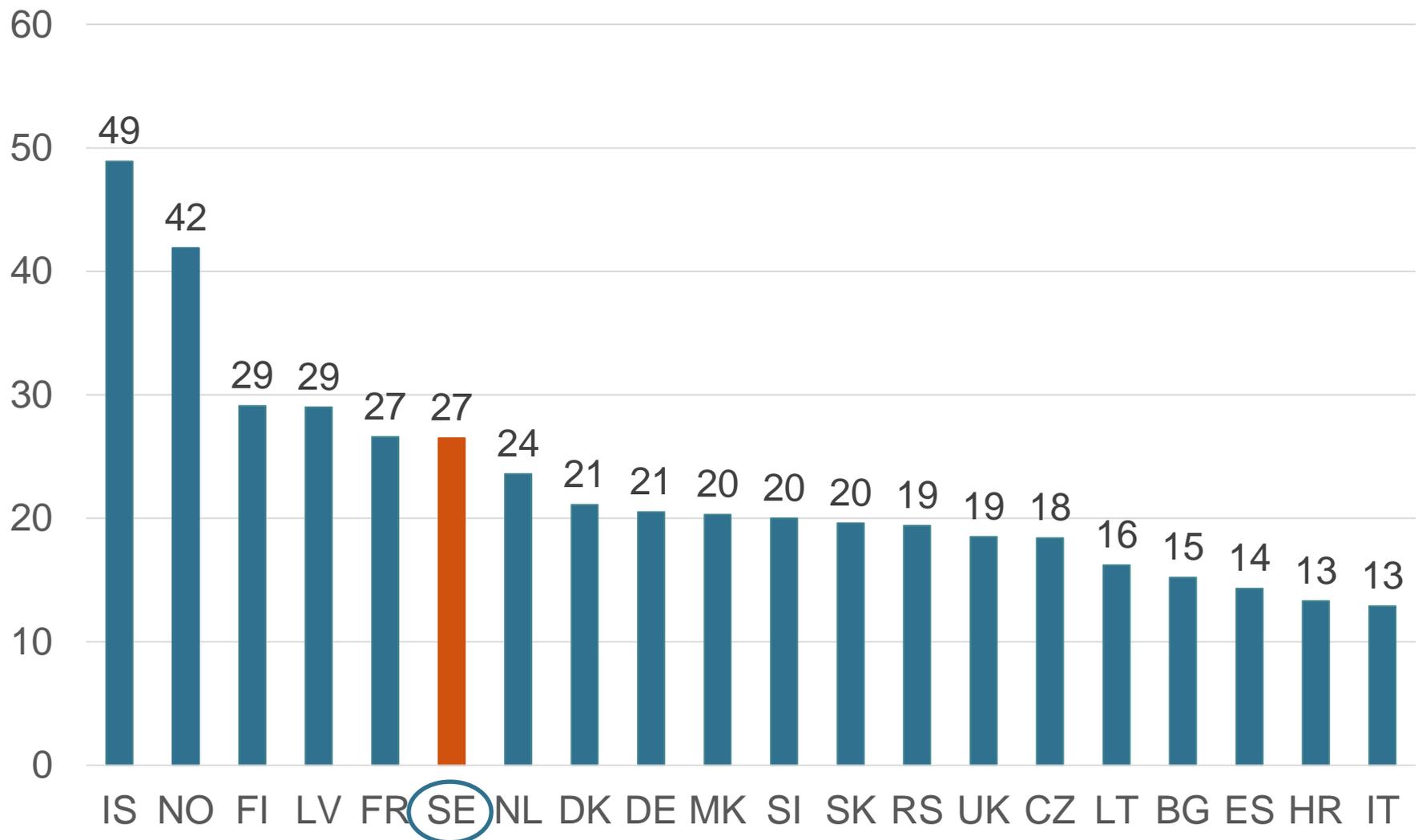
Findings on **Norwegian board gender quota of 40 %** (binding since 2008 for public firms)

- little evidence that the forced change in board composition has had any negative effects on firm value.
- it has led to a reduction in the number of directors that hold a large number of board memberships
- Reform has some impact on corporate decisions:
Norwegian public firms with high female board representation after the law did not lay off as many workers as other firms.
- It has led to an increase of the proportion of women on boards



Board quotas or not?

Proportion of women on boards in firms listed on the stock market in Europe, 2013



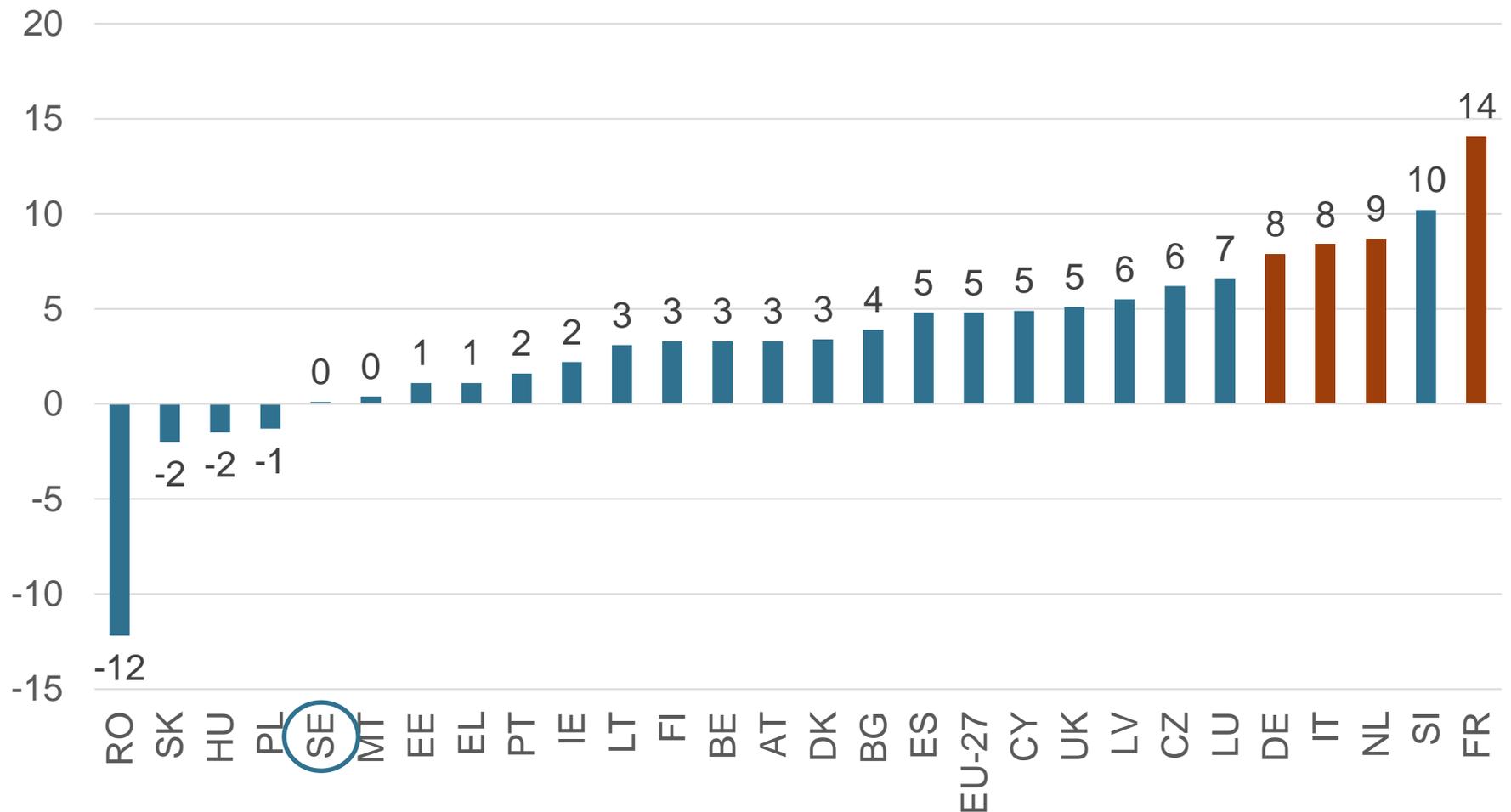
Many European countries have introduced a quota on boards for large companies on the stock market



| Country | Year passed | Quota size | Year of compliance | Sanctions | % female directors April 2013 |
|----------------|-------------|------------|--------------------|-----------|-------------------------------|
| Norway | 2003 | 40% | 2008 | yes | 42% |
| Spain | 2007 | 40% | 2015 | no | 14% |
| Iceland | 2010 | 40% | 2013 | yes | 49% |
| Italy | 2011 | 33% | 2015 | yes | 13% |
| Netherlands | 2011 | 30% | 2016 | no | 24% |
| France | 2011 | 40% | 2014/17 | yes | 27% |
| Belgium | 2011 | 33% | 2019 | yes | 14% |
| European Union | In progress | 40% | 2020 | no | 17% |

Increase of female representation on boards is largest in countries that introduced a quota

Change in proportion female board members in % between October 2010 and April 2013





Seven chapters and seven conclusions

1. Large gender wage gap in some groups. The glass ceiling persists
2. The Swedish labour market is gender segregated
3. Anonymization of applications is a policy to reduce gender discrimination at recruitment
4. Men's wages are higher at age 45 than women's which is related to the phase around child birth
5. Women are underrepresented among those with high pay in large Swedish companies
6. Male norms govern recruitment processes and women's careers
7. Entry of women into boards has a positive impact, but process goes (too) slow