

Discussion of: What prevents women from reaching the top?



by

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Content

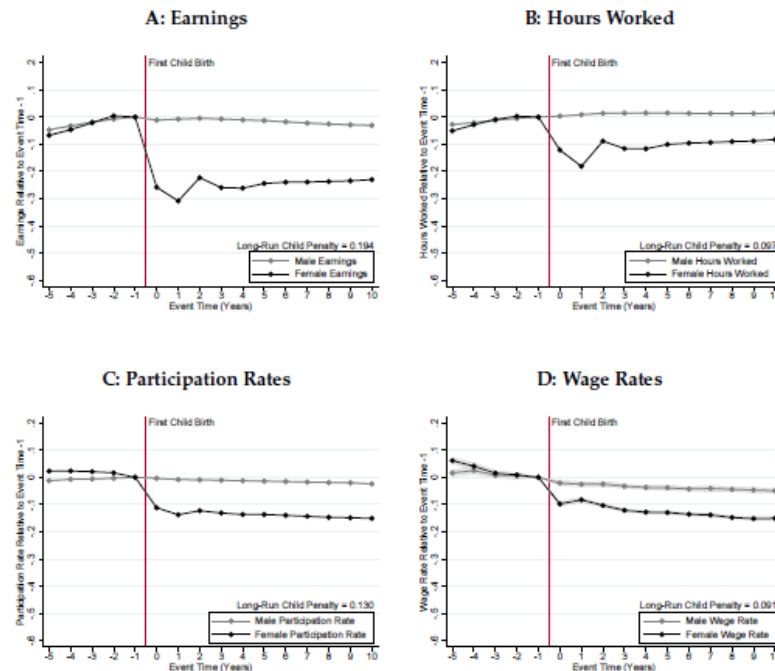
- Based on very detailed data from Sweden, the authors show that women are less likely to obtain top executive positions.
- What is not driving the result?
 - Gender differences in education
 - Gender differences in career potential (within household comparative advantage)
- Most likely explanation: Child rearing
 - Women work fewer hours and are more absent from work during the five years following the birth of their first child.

What is great about this paper?

- The data!
- Very detailed information on over 40,000 graduates
 - Family background
 - Risk tolerance
 - Education/Career
 - Executive/functional experience
 - Parents' socioeconomic status
- What I don't like (also refers to other papers following this approach):
Imputing personal traits from male siblings
 - Only reference that this may be valid is Beauchamp et al. (2011), published in Behavior Genetics

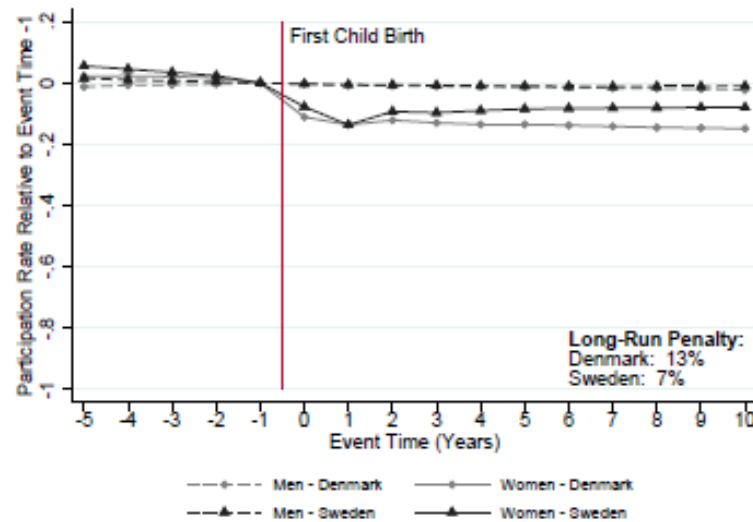
My greatest concern

- What is new?
 - Section 3.1: gender gap in top executive appointments has been documented extensively in the previous literature.
 - Figures 1-3 replicate results in Kleven et al. (2018) based on Danish data:



The „motherhood penalty“

Figure A.I: Child Penalties in Participation Rates in Scandinavian Countries



Kleven (2019) also provides results for German- and English speaking countries.

Take aways from this paper

- Table IA4 Blinder-Oaxaca decomposition: Executive experience helps explain the gaps, education and career variables tend to widen them.
 - Do more analysis along these lines!
 - Granularity of the data allows for new insights regarding the relative strength of different impact factors.
- Section 4.4: Gender differences in working hours and absence from work.
 - Absence of female executives for parental reasons.
 - Gap stems from actual hours, not contracted hours.

Core result (to me)

Table 4

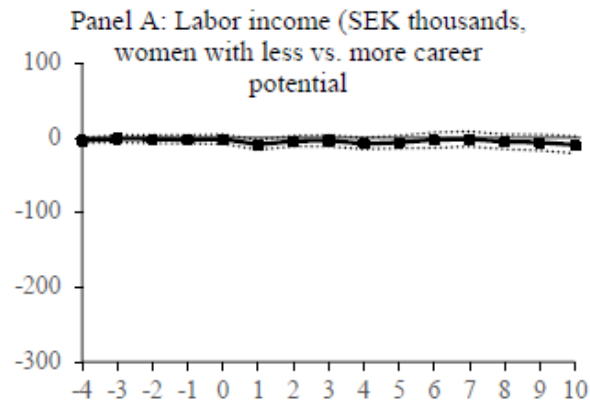
Role of children in explaining top executive gender gaps

This table reports results from linear probability model regressions of top-executive dummies on female dummy and controls. Large-firm CEOs hold the CEO position in firms with total assets of at least SEK 500 million, whereas large-firm top executives are the CEO and the four highest-paid executives in these large firms. Highly paid executives have an annual labor income of at least SEK 1 million. Columns (1), (4), and (7) repeat the specifications from the last row of Table 3 Panel A and the additional columns add controls for the graduate's logged labor income measured two years prior and five years after first childbirth. The results reported in this table differ slightly from the corresponding results in Table 3 Panel A because this table excludes graduates who do not have children. The *t*-values are based on robust standard errors. Coefficients, mean dependent variables, and *R*-squareds are reported in percentage points.

| Dependent variable | Large-firm CEO | | | Large-firm top executive | | | Highly paid executive | | |
|---------------------------|------------------|------------------|------------------|--------------------------|------------------|------------------|-----------------------|------------------|------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Female dummy | -0.16 (-2.30) | -0.15 (-2.25) | -0.04 (-0.56) | -0.85 (-5.73) | -0.83 (-5.58) | -0.52 (-3.06) | -1.23 (-6.26) | -1.18 (-5.99) | -0.55 (-2.16) |
| Income at child birth - 2 | | 2.96 (1.24) | -1.66 (-0.63) | | 17.60 (3.69) | 4.70 (0.86) | | 41.90 (6.16) | 16.00 (1.87) |
| Income at child birth + 5 | | | 6.13 (3.05) | | | 17.10 (3.43) | | | 34.30 (3.52) |
| Mean LHS, % | 0.41 | 0.41 | 0.41 | 1.78 | 1.78 | 1.78 | 3.11 | 3.11 | 3.11 |
| Adjusted R^2 , % | 2.15 | 2.15 | 2.26 | 4.06 | 4.10 | 4.29 | 5.82 | 5.96 | 6.41 |
| Number of observations | 33,901 | 33,901 | 33,901 | 33,901 | 33,901 | 33,901 | 33,901 | 33,901 | 33,901 |

Take aways from this paper II

- Figure 4: Women with more vs. less career potential
 - Impact of relative within household-career potential



- Fits nicely to Claudia Goldin's 2014 AEA Presidential Address:
 - „The gender gap in pay would be considerably reduced and might vanish altogether if firms did not have an incentive to disproportionately reward individuals who labored long hours and worked particular hours.”

Additional comments

- Table IA1 is not conditional on gender, would be more interesting to see for women vs. men.
- Section 2.2 (childcare system in Sweden) is too short, more details would be interesting for non-Swedish readers.
- In Table 2, some results are opposite for „All“ vs. one of the top executive variables. Example: # years of labor market experience: -0.09 (-1.62) for all, 1.29 (5.04) for highly paid executives. Why could this be the case?
- „We find women are more likely to have a business or economics degree, the fields most predictive of making it to the top“ Is it possible to split this up into pink ghettos (marketing/hr) vs. finance/accounting?