

More female managers do not reduce wage gap

December 16 2011

Are wage differences between men and women decreasing as more women attain managerial positions? A new Swedish report from the Uppsala Center for Labor Studies (UCLS) at Uppsala University and the Institute for Labour Market Policy Evaluation (IFAU) concludes that they are not. Manager gender is tied to neither wages nor, accordingly, wage differences on the labour market.

Women held approximately 36 per cent of managerial positions within the Swedish employment market in 2008. That female managers are a minority is sometimes advanced as an explanation for the fact that women generally receive lower [wages](#) than men. The [wage gap](#) between men and women, adjusted for age, experience, education and industry demographics, is approximately 8 per cent. A greater proportion of women in managerial positions could serve to reduce the wage gap if female managers set wages differently or, by serving as examples, encouraged a higher level of performance by women.

Earlier studies have shown that wage differences are smaller in industries and at workplaces with female managers. In her study, however, [economist](#) Lena Hensvik found no support for the claim that female managers entail any benefit for women in connection with wage setting. The study encompassed all of the [public sector](#) workplaces and a representative selection of private sector workplaces in Sweden during the years 1996.

"At the first stage, I found that women with female managers receive

higher salaries," she says. "But when I went further and considered individuals who had had both male and female managers and how salary varies with manager gender, I found no significant difference between working for a woman and working for a man. Any differences appear to be tied to the individuals, not their managers."

Having more female managers thus seems not to contribute to reducing the salary [gap](#) among employees.

"Earlier studies that found differences between workplaces with and without female managers should be interpreted with certain caution, since these studies did not take account of employee-pool composition differences," continues Lena Hensvik.

But do women employ more women? Lena Hensvik asserts that there is no evidence that they do. It may be that women employ more high-performing women, but even that appears to be bound up with the character of the workplace or industry, and not with the issue of whether the managers happen to be men or [women](#).

More information: Working paper: www.ifau.se/Upload/pdf/se/2011...-gender-wage-gap.pdf

Provided by Uppsala University

Citation: More female managers do not reduce wage gap (2011, December 16) retrieved 6 May 2024 from <https://phys.org/news/2011-12-female-wage-gap.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.