Study shows female managers don't mean higher pay for women

April 18 2019

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A new paper in the *European Sociological Review* indicates that women's and men's earnings are not affected by the share of female managers in an organization, nor by the sex of workers' individual managers.

The past decades have seen a steady increase in women's representation in all levels of management. Women's access to management has been the subject of many studies which have led to insights on how gender inequality in access to power is established. Now that women increasingly occupy managerial positions, the question arises what the implications of the growing number of women in these positions might be. Managers play a key role in organizations and decide on the hiring, wages, promotions, and training of employees. As such, a change in the demographic representation of managers may affect inequalities among employees. Many studies have investigated explanations for the gender gap in earnings, but only a small proportion has concentrated on the influence of women's representation in management.

There are reasons to expect that female may managers lack the power or do not have the motivation to enhance the earnings of other women. One reason for this is that female managers may not have sufficient power to significantly influence the earnings of other women in the organization. Female managers may often be stuck at lower levels of management where they do not have enough power to substantially affect the careers of employees.

Researchers here investigated whether female managers contribute to greater gender equality in organizations. Specifically, they examine the impact of the share of female managers in an organization, and the influence of direct supervision by a female manager.

The researchers used manager-employee linked data from nine European countries to test these hypotheses. The employees studied worked in manufacturing, healthcare, higher education, transportation, financial services, and telecommunication.

The results indicate considerable variation of inequality between women's and men's earnings between departments and organizations.

Nevertheless, despite the widespread presence of women in organizations there exists a considerable and significant gender gap in earnings. Women in the sample earn on average 7% less than men, regardless of the gender of their direct supervisor and regardless of the share of female managers in the organization. Considering a 40 hour workweek, the gender gap in earnings is about 104€ per month (the equivalent of almost $118). Note that this figure is only adjusted for working hours and not for sector, country, educational attainment, job status and other organizational or individual characteristics.

Women in management positions do not appear to make a substantial contribution to gender equality in earnings in organizations. While other studies, however, have demonstrated that organizational culture and policies greatly influence the motivation and opportunities of female managers to contribute to gender equality in organizations, these results show that women's and men's earnings are not affected by the share of female managers in their organization.

"There are very good reasons to believe women should benefit from having a female manager, so we were surprised to find that this is not the case," said the paper's lead author, Margriet van Hek. "I believe the next step is to dig deeper into the mechanisms of how this occurs."

More information: "Are female managers agents of change or cogs in the machine? An assessment with three-level manager-employee linked data," *European Sociological Review* (2019). DOI: 10.1093/esr/jcz008

Provided by Oxford University Press