

# Why are women disadvantaged in the workplace?

#### **HOST**

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#### **SPEAKERS**

Emmanuelle Auriol (IAST), Nina Jörden (Bennett Institute) and Francesca Barigozzi (University of Bologna).

### Rory Cellan-Jones 00:07

Hello and welcome to Crossing Channels. I'm Rory Cellan-Jones. Why are women disadvantaged in the workplace? That's the subject of the latest in our podcast collaboration between Cambridge University's Bennett Institute for Public Policy and the Institute for Advanced Study in Toulouse. As ever, we're going to use the interdisciplinary strengths of both institutions to explore a complex challenge. Why are women underrepresented in certain professions? Why is the motherhood wage gap so persistent? How does flexible work have an impact on women's careers? And what does policy need to do to reduce gender inequalities in the workplace? To explore these issues today we have Emanuelle Auriol from the IAST. Emmanuelle, start us off, what does your research focus on?

### Emmanuelle Auriol 01:04

Well, I am a microeconomist, an applied microeconomist, and my work focuses on market imperfection, whether this market imperfections are coming from firm behaviour or behavioural traits, discrimination is part of one.

# Rory Cellan-Jones 01:21

Thank you very much. And joining us from the Bennett Institute. We have Nina Jörden. Nina, could you share with us your primary research interests?

#### Nina Jörden 01:28

Yes, sure. Thank you for the invitation. So I'm a sociologist, and my research very much focuses on the broad area of the future of work. So what makes people productive at work? How will good work look like in the future? And how can work be meaningful for individuals, organisations but also society as a whole?

# Rory Cellan-Jones 01:50

Thank you. And joining us from the University of Bologna, we have Francesca Barigozzi. What does your research focus on?

# Francesca Barigozzi 01:57

So I'm a micro theorist, like Emmanuelle, and my main research interest is family economics and more recently, gender norms. So, I want to, I try to understand why closing the gender gap in the labour market is so difficult and why traditional gender norms are so persistent.

### Rory Cellan-Jones 02:17

Thank you very much. Let's start with the big picture. Despite the advances made by women in the workplace in the second half of the 20th century, they still face big inequalities, particularly in certain sectors. Emanuelle, can you start us off by giving us an overview of those inequalities, and how they've perhaps changed over time?

#### Emmanuelle Auriol 02:35

First of all, what is very striking for me as an economist is that over the last 40 years, women have been more successful at universities than men. And today 60% of graduates from the university are women. And so you would expect in light of the great achievement at school, that they will also progressively manage to reach a higher level of society in terms of the labour market. And it's not the case. So we have a very persistent glass ceiling for women. We have also an overrepresentation of women in jobs that are low paid, that are part-time and that have no perspective whatsoever. So this is a puzzle. And one element of the puzzle is what we call the child penalty, the fact that when you have children suddenly your career collapses. There is also another part which is discrimination. I am happy to be here today to share this and discuss this evidence with you.

# Rory Cellan-Jones 03:38

You made the interesting point, Emanuelle, about women in the education system actually emerging sort of stronger than men. Francesca, let's get your take on that. So we've got girls outperforming boys, why are they then left behind when it comes to the workplace? Or is it the case that they start off on an equal level and then as time goes on, they fall behind?

# Francesca Barigozzi 04:01

Just to make an example with data. So in Italy, for example, like Emmannuelle already said, which is the case for most developed countries, girls obtain better grades in high school and than in college, so no matter the field of study, they are better than boys on average. So in engineering, in math, in science, in all fields. In Italy, for example, we observe that one year after graduation, already, Italian graduates have a lower probability to be employed one year after graduation and they obtain lower wages. So the gender wage gap is already there one year after graduation. So there are reasons that are related to the side of the employers. And Emmanuelle was mentioning discrimination, for example, but the implicit stereotypes and biases are another reason that it is more relevant today because fortunately discrimination is decreasing. But we have also many reasons on the side of job seekers. So for example, personality traits are such that girls are disadvantaged because they are less inclined towards competition, they are less risk averse, on average, they are less self-confident, and all this contributes to having lower success in the workplace. Also, research and evidence shows that they are less ambitious, they have a lower willingness to bargain, they have different strategies of job search with respect to boys and social norms that are there. And so somehow they anticipated the family duties that they are going to have later on.

### Rory Cellan-Jones 05:48

Are these disparities consistent across the workforce? Or are they more pronounced at higher paid jobs? So, for instance, in sort of low paid, say, retail jobs, is it worse than say, for lawyers? Is it uniform across society, this wage gap?

### Francesca Barigozzi 06:07

The gender wage gap is present in all the fields of study. So what we can observe is that in STEM fields, where girls are fewer parts of the workforce, the gender wage gap is lower, but quite paradoxically it is higher in fields that are more friendly to women that like the field related to the humanities, for example, in political science. And so maybe this suggests that personality traits and the soft skills that we were mentioning before somehow play a role.

### Rory Cellan-Jones 06:43

Is it potentially that in the sort of easily measurable jobs, scientific jobs, women do, paradoxically better in terms of equality than in the sort of softer skill jobs where perhaps prejudice may come in more fully?

#### Emmanuelle Auriol 06:58

I believe there is evidence of that. In Italy, especially, interestingly, for instance, they, until recently, they didn't add the doctoral programme so in economics. And so what they did was to give very generous grants so people could go to the US and do a PhD there. And some economists they gathered all the files and the result of the admissions into these prestigious programmes, and they show that on the objective part, the women and men were not discriminated. So if, for instance, you have very good grades at the exam, both men and women get good appreciation by the jury. But on the soft part, the most subjective part, women were judged less favourably. And so I believe that, yes, prejudice expresses themselves more when it is less objective to measure performance.

# **Rory Cellan-Jones** 07:55

Nina, what's your professional and personal experience here? We've got three successful academics here, is the academic world better than the rest of the workforce or exactly the same?

### Nina Jörden 08:06

I think we have a lot of research that the glass ceiling Emmanuelle was talking about also exists in the world of academia. And similar to other professions, also, long working hours, putting in a lot of work, being constantly available to your employer is something that is valued in academia. So I think women are facing similar challenges and similar problems when it comes to career progression. Of course, there are differences between private sector and public sector or academia. But I think the general challenges women face are quite omnipresent in a lot of sectors and fields.

# Rory Cellan-Jones 08:46

In different countries, is there a uniform pattern?

### Emmanuelle Auriol 08:52

So for instance, in Japan, the gender wage gap is 70%, while in Finland, it's less than 20%. The wage penalty is a mixture of three things in all countries, which is a wage rate. So women, on average, get lower wage rate. But also, they work less in terms of hours, especially after the children because they are expected by society to take care of the children. And finally, they participate less also. And so all these three elements imply that, on average, they're making less money than men. The last thing is that if you look at very high skilled women, they get less pay per hour. And if you look at the low skilled women, the wage penalty comes from the fact that they participate less in the market.

# **Rory Cellan-Jones** 09:35

Nina, you wanted to come in?

### Nina Jörden 09:38

I think it's worth also taking a step back or looking at the historical development because we have seen a huge push in the 70s, 80s, with more and more women entering the labour market, and also achieving leadership positions in that time. But since the 90s, we've seen a considerable slowdown in this progress. And I think one of the reasons is that when more and more women entered the labour market in the 70s and 80s, they took on a huge burden. And the burden was they did more paid work, but their unpaid work, household childcare did not go down. So the concept of women doing these double shifts, obviously naturally reaches a limit at some point. So I think that's part of the explanation why we see this slowdown when it comes to gender equality in the labour market. And I think that's something we should keep in mind talking about this issue and the historical development of it.

# **Rory Cellan-Jones** 10:39

Francesca, what does your work reveal about the role of social norms in shaping women's career choices and perhaps directing them towards less well paid or less challenging areas?

# Francesca Barigozzi 10:54

Let me say that social norms are shared understandings about action that are obligatory, permitted or forbidden in a given society. And when it comes to gender norms, we typically identify two categories of what being a man implies and what being a woman implies. If we follow those prescribed behaviours, we are asserted in our social groups, and we are also affirming, in a sense, our gender identity. Conversely, if we are violating those prescribed behaviours, we can feel anxiety, discomfort and a sense of guilt. And moreover, we risk somehow to be, at least partially, excluded by the social groups we're part of. And mothers' sense of guilt is what we studied in our research with my co-author, Helmuth Cremer and Kerstin Roeder. And what we study is how mother's guilt affects career choices by women, and we study policies that can decrease this sense of guilt, and so induce more women to choose a career path in which they're more engaged in their workplace and they perform lower informal childcare in the family. And so we studied policies like subsidy to childcare and provision of public childcare, that are able to reduce the overall the amount of childcare that working women provide in the family and thus can help a new generation of women not to start engaging in a career where they work full time.

### Rory Cellan-Jones 12:40

I want to drill further into that in a moment. But first of all, Emmanuelle, you've, you've done this work on the underrepresentation of women, particularly at higher levels in economics, in particular. Is there any link there with what Francesca has been talking about in terms of motherhood, that female economists are getting to a certain level and then hitting a glass ceiling when they're having children?

#### Emmanuelle Auriol 13:02

So first of all, economics is an outlier. So when you collect data on career paths in academia, what is very important for career paths is publication and citation and this is, fortunately, observable, it's public

information. So there are many studies that collect all the observable information we have on people and their career. And they try to predict promotion. So in the US, for instance, in the UK it's the same, you have a tenure track system. So what is very important is to be promoted as a full professor because then you are tenure and you are safe. What this study does, I just put everything you can see, so the number of publications, the number of citations, the quality of the journals, the vintage of the PhD, everything, and then a gender dummy. And in most fields, the gender dummy does not come out. For instance, in mathematics, the gender dummy is not coming out. It means that with the same CV, a man and a woman have the same probability to get tenure. But as we were mentioning before mathematics is something very objective. So I believe, this objectivity makes the career of women in mathematics easier, although there are very few of them, they are not discriminated. In economics, we are an outlier because 20% of the promotion gap is explained by gender. So, women with the same CV, the same level of publication, the same vintage of PhDs, the same everything that you can observe, they get 20% chance less to be tenured. Of course, this led many women in the profession to believe that they are discriminated. And they started to collect evidence that they are. And there are many ways to do that. So for instance, you can randomize names on manuscript and you say, well, it's a man or it's a woman, the true identity is unknown. And you ask people to judge the manuscript. And manuscript by 'women' are judged always more critically. Another piece of evidence is how long it takes to go through the referee process in economics. And in the top five journals, what we can see, is that it takes six months longer for paper that are authored by women than for men. And also when you have machine learnings and the quality of the writing of the paper, you see that first of all, the abstract of these papers are much clearer when they are written by women and the quality improves even more during the referee process, presumably because they are held at higher standards. As a piece of evidence, I like this, this one a lot is what is called the seminar project. So I have a colleague, very famous economist, and they managed to collect the number of interactions women get during seminar, the type of question that were asked, it's a bit more subjective. And they show that women get significantly more question during a seminar time and when you analyse the nature of question, they are patronising, they are giving suggestions. So, in the US, you have like more than 30% of PhDs that are women, you have like 25% that are assistant professors, and you have only 15% that are full professors. So this glass ceiling is very, very thick there, the child might contribute to that. But there is also a lot of evidence that in this particular profession, discrimination is going on.

### Rory Cellan-Jones 16:24

Francesca, is there any evidence that this motherhood wage gap that you've detailed is closing and there's reason for optimism?

### Francesca Barigozzi 16:35

Unfortunately, Rory, it's quite the opposite. So today, the child penalty represented the largest part of the gap in earnings we observed between men and women. And just to give you some data, this long term child penalties are measured at 10 years after the first child is born, amounts to the 44% of the pre-birth earnings of a mother in the UK and 61% in Germany. It is a huge penalty and that it is persistent. And I

would also like to have that many studies that exist on this subject, show that there is no penalty at all for men, for fathers, when their first child is born. So, this penalty is only affecting mothers. For fathers, there is even slight evidence that their earning improves after their first child is born. Child penalties remain the most important and relevant reason for the gender wage gap. And in general, the gap in earning between men and women.

#### **Emmanuelle Auriol** 17:56

I would like just to stress that this is very correlated, this child penalty, with the general culture. So in Japan, for instance, where I was mentioning that the gap is very large and the child penalty is very large in Japan, but also 70% of the people, on average, both men and women, think that a woman should not work when the child are smaller. While for instance, in Denmark, it's less than 5%. And there is a very strong correlation between this type of answer, so the general perception of what are the gender roles in terms of education and early years of the kids, and the child penalty in the labour market.

# **Rory Cellan-Jones** 18:37

Nina I want to move on to your field which is studying trends in the workplace and how that may be changing. Now obviously, we've come through the COVID-19 pandemic, which brought enormous changes in the way we worked, certainly for a while. Have they had any impact, positive or negative, on inequality when it comes to gender?

# Nina Jörden 18:57

A bit of both, I would say. So interestingly, during the pandemic, we saw that a lot of couples and families who previously were splitting their roles quite equally went back to quite traditional gender norms, with men focusing on work during the pandemic and women took on responsibility for household and caring and childcare. We did kind of a step back. But obviously, we changed massively the way we worked during the pandemic, when we talk about the future of work, we mainly mean like flexible working in terms of time and location. I mean, this flexibility allowed our economy to keep running, at least to a certain extent during the pandemic. So that was a big plus, that we could work from home, that we could have meetings through Zoom, etc. And people wanted that change and also now want to work that way, even after the pandemic. It has a positive impact in the sense that it allows women to merge their participation in the labour market with their caring responsibilities. And we've seen now that in the UK, around 70% of women with young children are in employment, right. And that is an increase compared to before the pandemic. So we see that remote working, flexible working is maybe helping more women to be in employment and be in the labour market. However, I think we need to be super, super careful to not confuse the ability to work and being able to merge family and work. This is not the same as progressing in your career. So I think while flexibilization allows to combine family and work, it does not necessarily lead to women's career progression. And we can now see because we have more and more data now coming in, after the pandemic, that there are some worries that flexibilization, hybrid work, remote working, is actually negative for women's career progression for various reasons.

# **Rory Cellan-Jones** 21:12

Francesca, what's your take on this? Are these new ways of working, well, are they going to be good or bad for this motherhood wage gap that we've talked about?

### Francesca Barigozzi 21:23

I fully agree on the fact that we can say that work flexibility helps women to stay in the labour market, so to be attached in the labour market. So we observe less women quitting that job after childbirth when they can benefit from work flexibility. But work flexibility has also many drawbacks. Why? Because it is increasing the earning gaps, and it is decreasing the possibility to break the glass ceiling. Because in our society, that flexibility is used to increase informal childcare. Facing flexibility, women will opt for a part time job more often, this has been clearly observed in many countries, when policies became more flexible and allow the women to opt for part time more easily. So unless we obtain equal shares of family duties and hours of work, the flexibility we have in the labour market, it is impossible that it will help women to decrease a glass ceiling and their gap in earnings.

# Rory Cellan-Jones 22:36

Nina, we've got a paradox here, because we've got a bit of a culture war going on where some employers, Elon Musk, decry the idea of working from home that people aren't really working. If that argument wins, paradoxically, given what we've heard about flexible working, actually holding women back, everyone going back to the office, could be good for reducing inequalities?

### Nina Jörden 23:00

Yeah, it is a very complicated field. And I mean, the good thing that we could say against the Elon Musk statement is we have a lot of research seeing that people working from home work and working hybrid work more. I know that a lot of managers don't believe that. But this is the evidence we have: working hours have increased through flexible working. And this is a problem. If we think that women are already doing double shifts, right. So there are only 24 hours in the day to work. What we see is that very deeply rooted ideas of what makes a good employee are still there. We have new ways of working, however, the idea that working long hours and being constantly available are still the two main reasons to progress in your career. And Claudia Goldin, I mean, she got the Nobel Prize for this work. And her research shows very clearly that putting in long hours and being constantly attached to the labour market, this is what makes your career progress, right. And this is why women are disadvantaged. And when we talk about future of work, I mean, we have flexibilization of time and flexibilization of location. And I think Francesca already put it quite well that all these arrangements that organisations put in place to help women to combine family and work, they are useful to reduce this conflict. But they also come with a stigma. And we can see clearly see that in research. And the stigma is, if you're taking, or if you're making use of these arrangements, right, you're working compressed working weeks, or you're working part time, or flexible working hours, you are not willing to put in the hours. And I repeat myself, but this is the main thing that

helps you to progress in your career, unfortunately, right. And so we have to be very aware of this stigma. And I think organisations, they have good intentions when they put in all of these arrangements and options, especially for women. But we have to be well aware of the impact it has on women's career progression, on stigma, and on a a deeply rooted perception that we have on mothers in organisations. And sometimes I think we present ourselves as being so close to equality and being so modern as a society, I think we are much further away from equality than we like to acknowledge sometimes.

# **Rory Cellan-Jones** 25:43

I'd like to end by asking all of you what organisations and policymakers need to do? What policies could reduce these gender inequalities in the workplace? Emanuelle?

#### Emmanuelle Auriol 27:14

Well, I was very clear from this discussion, there is a very complex nexus between culture and there is a lot of heterogeneity, I am sorry to stress that a lot. There is also the fact that we didn't talk a lot about that, but the fact that women are not attracted by science, although this is where they are less discriminated and this is where they make more money. I mean, in STEM, wages are much higher than elsewhere. So I think it starts at schools, I would push a little girl to do mathematics, to do physics, this is where you have great career. Finally, woman work more per day than men. They do one hour and a half unpaid work more than men, and they do one hour less, on average, of paid work. So they work more, they are paid less. And so to change that, of course, we have to change also some stuff in society. So for instance, when the kids are sick at school, I think I saw that statistic, I don't remember exactly, but they phone almost all the time the mother. I'm sorry, that's mean, you're supposed to be free to pick your kids when they're sick. Maybe not. So let's change this little things that they randomise or they phone the father first and then the mother. There are thing like that, that need to be changed if we want that the potential of women for society. And or course, it's very important to have the most talented people doing the job they are fit for, than simply taking a job because it's flexible, and you can combine it with my kids. That's not a good way to organise society.

### **Rory Cellan-Jones** 27:35

Francesca, what's your recipe for dealing with this problem?

# Francesca Barigozzi 28:57

We have to work with children when they are very younger, we have to come to a gender neutral education, first of all in the family, then also in the kindergarten, then in school. So there are studies that now show that teachers have implicit stereotypes and biases and so in elementary school, girls already learned that girls are diligent but boys are the ones who have the talent and they feel discouraged in studying math and because they think they are not good enough for this subject. Talking about the labour market and employment and the employer side. So the demand side of the labour market, something that has not been mentioned are quotas. So the bias may be something that is more, let's say, modern and we

can see this type of measures in many organisations today, and so hopefully they will help to decrease discrimination on the demand side of the labour market. But we have a lot to do also on the supply side of the labour market.

# Rory Cellan-Jones 28:54

And finally, Nina, is it a very difficult process of changing culture? Or are there specific policies that governments should be thinking about?

### Nina Jörden 29:13

Yeah, I completely agree with Emmanuel and Francesca, that it needs a societal change. But I think there are some more specific things we could do. And for me, the main thing is we need to address the unequal distribution, and especially the lack of compensation for caring. Because women take on the huge responsibility of caring currently. And yes, that's a long term of hopefully changing that. But we discussed today that it also means they're sacrificing their careers during that time. We talked about that, motherhood penalty, childcare, penalty, etc. So one possible solution could be that one partner is compensating financially the other partner, because this partner makes the decision to stay at home and care for the children, because the decision to stay at home does not only have an impact on your career, it also has an impact on your financial situation, right? You earn less, you have less money to save, to invest. And I think that's deeply unfair. I think this is something very concrete where we could initiate some structural change in the way, how we think about paid and unpaid work becoming more equal in terms of distribution and the financial impact taking on so much unpaid work has.

# **Rory Cellan-Jones** 30:31

Thank you. Well, that's all we've got time for on this episode. Thanks to Emanuelle Auriol from the IAST, Nina Jörden from the Bennett Institute and Francesca Barigozzi from the University of Bologna. Let us know what you think of this latest episode of season three of Crossing Channels. You can contact us via Twitter, as I still insist on calling it. The Bennett Institute is <u>@BennettInst</u> - the Institute for Advanced Study is <u>@IASToulouse</u> and I am <u>@ruskin147</u>. If you enjoyed this episode, then do listen to our other Crossing Channels editions, notably our latest on green growth. And please join us next month for the next episode where we will be looking at the impact of AI regulation on innovation.