Cluster of Excellence The Politics of Inequality







Employees' Perceptions of Internal Promotion Penalties The Role of Gender, Parenthood and Flexibility

Ole Brüggemann

University of Konstanz, Cluster of Excellence 'The Politics of Inequality'

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Starting point

Persisting gender inequalities in the labor market

- Horizontal and vertical gender segregation are present in most countries (Charles and Grusky 2004)
 - Women are disadvantaged in holding supervisory positions in Germany and most European countries (Dämmrich and Blossfeld 2017)

One widely studied explanation: Gender discrimination in hiring (supply-side, employer)

- However, meta-reanalysis of 57 field and 11 factorial survey experiments: (Galos and Coppock, unpublished manuscript)
 - No general pattern of gender discrimination against women across all the studied contexts
 - \rightarrow highly context-dependent (e.g. gender composition of the occupation)

One less studied explanation: Perceived promotions penalties (demand-side, employees)

- Discrimination might also arise in later stages of individual careers (+ accumulate over time)
- If employees *perceive* promotion penalties they face a large number of negative consequences:
 - Lower commitment, higher turnover intentions, lower job satisfaction (see meta-analysis by Del Triana et al. 2019)
- Hence, gender inequalities would continue being re-produced through employees reducing their efforts to strive for promotion (especially for those with higher sensitivity)

Research questions

Two main research questions

- Do employees *perceive* internal promotion penalties with regard to their *co-workers*' gender, parenthood and work flexibility?
- Does employees' sensitivity for promotion penalties vary with regard to their *own* gender, parenthood and work flexibility?

Contribution

- Shifting research focus to *perceptions* of promotion penalties (demand-side)
- Factorial survey design allows to disentangle determinants of perceived promotion penalties (gender, parenthood and flexibility) while controlling for qualification and performance
 - + Sensitivity for perceived penalties as indicator for likelihood of negative consequences

Theoretical approach: Gender

Mechanism for gender differences in promotion evaluations

- Status characteristics theory (Berger et al. 1997, Correll and Ridgeway 2003)
 - Gender as diffuse status characteristic \rightarrow Men perceived as more competent in most tasks
- Stereotype content model (SCM) (Fiske et al. 2002)
 - Warmth (trustworthy, empathic, friendly) | Competence (intelligent, skilled, creative, efficient) as central dimensions of social judgements
 - Women score higher on warmth, men on competence (e.g. Fiske and Dupree, 2014)

Previous research

- Administrative data: Women in Germany and Norway are less likely to be promoted both internally and externally (Kunze and Miller 2017, Bossler and Grunau 2020)
- Factorial survey: Women are evaluated as more likely to be promoted by real-world recruiters in Spain (Fernandez-Lozano et al. 2020)
 - Limitations: Positively selected group of evaluated candidates (high education and high capability);
 Small-N: 71 recruiters from 50 firms

Hypothesis

- H1: Employees evaluate female co-workers as being less likely for promotion compared to male coworkers. (*Perceived gender penalty*)

Theoretical approach: Parenthood

Mechanism for the role of parenthood for promotion evaluations

- Stereotype content model (SCM): (Fiske et al. 2002; Cuddy Fiske and Glick 2004)
 - Becoming a mother: ↑ perceived warmth, ↓ perceived competence
 - Becoming a father: ↑ perceived warmth, no change in perceived competence

Previous research

- Motherhood penalty in hiring and promotion (Cuddy et al. 2004, Correll et al. 2007, Stojmenovska and England 2021)
- Factorial survey: Mothers are evaluated as more likely for promotions (Fernandez-Lozano et al. 2020)
- Fatherhood is associated with higher earnings and higher likelihood of working in supervisory positions (Cooke 2014, Hodges and Budig 2010, Bygren and Gahler 2012)
 - Mixed evidence regarding a fatherhood premium in hiring (Albert et al. 2011; Bygren et al., 2017)
 and promotion (Benard and Correll 2010, Fernandez-Lozano et al. 2020)

Hypotheses

- H2: Employees evaluate female co-workers with children as being less likely for promotion compared to childless female co-workers. (*Perceived motherhood penalty*)
- H3: Employees evaluate male co-workers with children as being more likely for promotion compared to childless male co-workers. (*Perceived fatherhood premium*)

Theoretical approach: Flexibility

Mechanism for a flexibility stigma in promotion evaluations

- Institutionalized ideal worker norm: Constant availability for employer (Acker 1990; Williams 2001)
 - Strengthened in recent decades and endured pandemic shock (Thébaud and Pedulla 2022; Schiemann et al. 2022)
- Workers with flexible work arrangements (e.g. part-time work) violate the norm and are perceived as less committed to their work, the firm and their potential clients (Fernandez-Lozano et al. 2020)
- Male flexible workers suffer a double penalty as they deviate from ideal worker (flexibility stigma) and ideal man norms (femininity stigma) (Rudman and Mescher 2013)

Previous research

- Widespread belief: Flexible workers create more work and face lower promotion chances (Chung 2020)
- Factorial survey: Flexible work reduces promotion chances for both genders (Fernandez-Lozano et al. 2020)

Hypotheses

- H4: Employees evaluate co-workers in part-time as being less likely for promotion compared to coworkers in full-time. (*Perceived part-time penalty*)
- H5: Employees evaluate male co-workers in part-time as being less likely for promotion compared to female co-workers in part-time. (*Perceived double penalty*)

Theoretical approach: Sensitivity

Mechanism

- Promotion evaluations are not only dependent on *co-workers*' but also on *employees*' characteristics
- Own-experiences in the labor market shape expected opportunities for similar others (Schmitt et al. 2003)
- Women, part-time workers and mothers are underrepresented in supervisory positions

Previous research

- Women who perceive gender discrimination at the workplace *(sensitivity)* are more likely to face negative consequences, e.g. higher turnover intentions, lower commitment, lower job satisfaction (del Triana et al. 2019)
- Part-time workers and mothers are more likely to agree that people who work flexibly are less likely to get promoted (Chung 2020)
 - + Perceptions of higher flexibility stigma relate to higher turnover intentions (Ferdous et al. 2022)

Hypothesis

 H6: Female employees, part-time employees and mothers are more sensitive to potential promotion penalties of similar co-workers compared to male employees, full-time employees and childless women.

Data



Survey: "Fair: Working in Germany"

- Cooperation of University of Konstanz and Institute for Employment Research (IAB)
- Online survey of the working population mainly focusing on perceptions of wage fairness
- Stratified random sampling (firms, employees) based on administrative data at the IAB:
 - (1) Random sample of 20,000 firms with at least 100 employees
 - (2) Create 3x3x3=27 sampling cells based on terciles of the following firm-level measures:
 gender pay gap, share of women in management positions, gini coefficient
 - (3) Random sample of 20 firms from each of the 27 sampling cells (540 firms)
 - (4) Random sample of 100 employees from each of the selected firms (54,000 employees)
- Field period: May August 2021
- Sample of analysis: 3,761 respondents and 5,212 promotion evaluations

Vignette design

Sample vignette

Please imagine a person who works in **your firm** in a position that is **similar to your position**.

A <u>40-year-old women</u> works <u>full-time</u>, i.e. 40 hours per week and is <u>overqualified</u> for her job. She <u>entered the firm</u> <u>and started in the position a long time ago</u> and performs <u>above average</u>. She is living in a stable partnership with <u>two children</u> in her household.

Her monthly pay amounts to 3.000 euro (gross).

How fair do you consider the gross pay of the described person? It is ...

Unfairly, too low				Fair				Unfairly, too high
-4	-3	-2	-1	0	+1	+2	+3	+4

How likely do you think the described person is to...?

(Filter: randomly assign one behavioral reaction to each vignette)

- ... apply for another job.
- ... complain at the workers' council.
- ... renegotiate her own salary.
- ... decrease her effort.
- ... increase her effort.

14.11.2022

Very unlikely						Very likely
1	2	3	4	5	6	7

- Vignette describing co-workers (same firm, similar position)
- 5 vignettes per respondent
- Each vignette contains two evaluation tasks:
- (1) Fairness of pay
- (2) Evaluate the likelihood of one of six randomly assigned behaviors

<u>One of them:</u> Promotion within the next year

Vignette design

Vignette dimensions

#	Dimensions	Levels
1	Age	25/30/35/40/45/50 years
2	Gender	Male/Female
3	Gross earnings/months	Nine values ranging from -40% to +40% of respondents wage (previously asked within
5	Gross earnings/months	the survey)
4	Working hours/week	Full-time, i.e. 40 hours per week/
-	Working Hours/Week	Part-time, i.e. 20 hours per week
5	Qualification	Under-qualified/ qualified/ overqualified
		Entered the firm and started in the position just recently/ Entered the firm a long time ago
6	Seniority	but started in the position just recently/ Entered the firm and started in the position a long
		time ago
7	Job performance	Below average/ average/ above average/ no information
8	Children	Four values ranging from no children to three children

- Specification of D-efficient fractional design leads to 360 vignettes in 72 decks
 - Random allocation of decks (questionnaire versions) to respondents
 - Random order of vignettes within each questionnaire version

Analytical strategy

Models

- Hierarchical data structure of evaluations within respondents (within firms)
 - Two-level hierarchical linear models (HLM) (Maas and Hox 2005; Rabe-Hesketh and Skrondal 2012)
- Interaction of vignette variables + Separate models by respondents' characteristics

Dependent variable

- *Vignette (co-worker):* Evaluated promotion chances within the next year (7 point scale)
- Logged due to right-skewed distribution (skewness reduced from .8 to .03)

Explanatory variables

- Vignette (co-worker): Gender, parenthood, working hours (part-time dummy)
- *Respondents (employees):* Gender, parenthood, working hours (part-time dummy)

Controls

- Vignette (co-worker): Age, relative gross pay, qualification, seniority, job performance, evaluated fairness
 of vignette gross pay, order of vignette appearance
- Respondents (employees): Being a supervisor (dummy)

Results: Perceived promotion penalties

M1: Main effects of vignette gender, working hours and parenthood





- Women (- 9%), workers in part-time (- 12%) and parents (- 6%) are evaluated to be less likely for promotion – independently of their job performance and qualification
 - Employees perceive gender discrimination, flexibility stigma and a promotion penalty for parents at the same time (support H1, H4)

Results: Gender-specific parenthood penalty?

M2: Interaction of vignette gender and parenthood



- Respondents evaluate mothers as 9.4% less likely for promotion compared to female childless co-workers (perceived motherhood penalty, support H2)
- For fathers there is a small (~3%) but not significant penalty compared to childless men (no perceived fatherhood premium, reject H3)

Results: Gender-specific part-time penalty?

M2: Interaction of vignette gender and working hours



- Female and male co-workers are evaluated as less likely for promotion compared to fulltime employees.
 - This part-time penalty is perceived slightly (3 pp.) larger for female co-workers (n.s.)
- No support for double penalty of men *(opposite to H5)*

Results: Respondent-specific sensitivity?

M2: Interaction of vignette gender and respondents' gender



- Female respondents evaluate female co-workers to be 18% less likely to be promoted within the next year compared to male co-workers
- Male respondents evaluate male and female co-workers to be equally likely for promotion and hence do not perceive gender discrimination against women or men
- Women are more sensitive to promotion penalty of their female co-workers (support H6)

Results: Respondent-specific sensitivity?

M3a-d: Separate models by respondents' gender and parenthood



Evaluated promotion chances of vignette co-worker

- Mothers compared to childless women perceive the parenthood penalty to be ~6 pp. stronger (support H6)
 - only group that significantly evaluates co-workers with children negatively (- 12%)
- Male respondents evaluate vignettes with and without children similarly, independently of their own parental status

Results: Respondent-specific sensitivity?

M4a-d: Separate models by respondents' gender and working hours



- Part-time respondents are not generally more sensitive to parttime penalty
 - But, part-time penalty is perceived as ~9 pp. stronger by women working in parttime themselves compared to full-time women
- Among the four groups: Women working in part-time are most sensitive to part-time penalty (partly support H6)

Conclusion

Summary of main results

- Co-workers' being a woman, working part-time and being a parent clearly reduced the perceived chances that they may experience an internal promotion in German companies
 - Being a parent is only negatively affecting promotion evaluations of mothers (*motherhood penalty*)
 - Working part-time was perceived as negative for promotion chances independently of gender
- Testing for respondent-specific sensitivity:
 - All three penalties are perceived (more strongly) by respondents with similar characteristics
 - Concretely, women (+ in part-time or with children) were most sensitive
 - \rightarrow most likely to face negative consequences such as lower commitment, turnover intentions
- *Taken together:* Worrying evidence that women are perceived as disadvantaged for internal promotions not only due to their gender but also due to them being mothers and often working in part-time
 - Potentially relevant as mechanism for the persistence of vertical gender segregation and in the end – gender pay gaps

<u>Outlook</u>

Next steps

- Work on context-specific effects: Are promotion penalties perceived differently based on:
 - Working group (e.g. gender composition, gender of direct supervisor)
 - Firm (e.g. gender composition, share of women in management)
 - Occupation (e.g. gender composition)
- Linkage with administrative data (IAB) for firm and occupational context

Evaluated promotion chances, by vignette gender, parenthood and working hours



Appendix 2: Supervisors

Are supervisors more/less sensitive for perceiving promotion penalties in their firms?

- Small differences less sensitivity for gender and part-time penalty among supervisors
- Additional analysis: Interaction of vignette and respondent gender does not vary substantially between supervisors and non-supervisors



Evaluated promotion chances of vignette co-worker

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Appendix 4: Limitations

- 1. No baseline measure of actual promotion opportunities in the respondents' firm
 - Upward, downward bias in promotion evaluations depending on firm context
 - \rightarrow Should be mostly problematic for the average evaluations
- 2. No measure of whether employees perceive promotion penalties as unfair or even justified
 - Data: Respondents evaluated co-workers differently depending on gender, parenthood and flexibility
 - → Meritocratic pattern found when asking for important promotion determinants. Hence, it is more likely that they perceive promotion penalties as unfair
- 3. Interpretation of the sensitivity mechanism might be twofold
 - Sensitivity could not only lead to negative job-related outcomes
 - → Sensitivity = requirement for collective action against persisting inequalities

Appendix 5: Additional descriptives

Distribution of main variables (after listwise deletion)

	mean	sd	min	max
Vignettes:				
Evaluated promotion chances (logged)	0.81	0.64	0	1.95
Respondents:				
Female (ref. male)	0.45	0.50	0	1
Children in household (ref. no children)	0.43	0.50	0	1
Part-time (ref. full-time)	0.22	0.42	0	1
Holding a supervisory position (ref. no supervisor)	0.28	0.45	0	1
N (individuals)		3,7	'61	
N (evaluations)		5,2	212	

Correlation matrix of vignette characteristics

	Age	Gender	Working hours	Qualification	Seniority	Performance	Parenthood
Age	1						
Gender	0.038	1					
Working hours	0.022	0.005	1				
Qualification	0.035	-0.012	0.022	1			
Seniority	-0.011	0.000	-0.018	0.022	1		
Performance	0.022	-0.019	0.001	0.018	0.005	1	
Parenthood	0.059	0.023	-0.033	0.005	-0.010	0.031	1
Relative gross pay	-0.031	0.000	-0.011	0.013	0.000	0.003	-0.020

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Appendix 6: Vignette assignment

Number of vignettes with promotion evaluation per respondent

Vignettes per respondent	Respondents	Percent		
1	2,530	67.27		
2	1,023	27.2		
3	196	5.21		
4	12	0.32		
Total	3761	100		

Distribution of evaluation tasks by order of vignette (randomization check)

	Vignette order (as presented for respondents)				
How likely do you think the described person is to…?	1	2	3	4	5
apply for another job.	1,052	1,045	999	1,043	1,053
complain at the workers' council.	1,038	1,069	1,082	1,059	1,055
renegotiate her own salary.	1,074	1,022	1,072	1,074	1,025
decrease her effort.	1,049	1,034	1,089	1,055	1,061
increase her effort.	1,018	1,056	1,015	1,024	1,013
be promoted within the next year?	1,053	1,054	1,020	1,017	1,068

Appendix 7: Promotion ranking

- Respondents were asked to rank 9 factors according to their subjective relevance for internal promotions in their firm
- App. 50% did not even consider gender as a relevant factor
- Among those that did, women were a bit more likely to assign a higher rank

