How do Women and Men Expect Their Co-Workers to React to Perceived Unfairness of Wages?

Evidence from a Factorial Survey Experiment in German Firms

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Introduction & Background

Men's and Women's reactions to perceived unfairness of wages are relevant for the persistence of gender inequalities. While recent work found a raised awareness among women regarding their unfairly too low earnings it remains unclear whether this awareness translates into behavioral reactions.

Behavioral reactions to under-reward can be classified in:

1. **Exit** (leaving current employer)
2. **Voice** (staying and attempting to change the status-quo)

Data & methodology

- Fair: Arbeiten in Deutschland (collected in 2021)
  - Representative of employees in larger German firms (>100)
  - Including an **original survey experiment** on fairness perceptions and potential behavioral reactions
  - **Vignette dimensions**: age, gender, gross earnings, part-time, qualification, seniority, job performance, children
  - **Sample**: 540 firms, 3,174 employees, 10,218 vignette evaluations
- Two-level HLM with firm fixed effects of the behavioral reactions
  - Ys: Likert scale from "very unlikely" to "very likely"
 - Main Xs: fairness evaluation, gender (co-worker, respondent), working environment

Results

1. **Exit** option is rated as more likely than **voice** options

2. **Exit**: No gender differences

3. **Voice**: Less often expected of **women** (by female and male respondents)
   → social characteristics theory
   → mechanism for persisting GPGs

4. Employees expect behavioral reactions **conditional** on their own **working environment**: when working with a **female supervisor** and **not in a male-dominated group** women are more often expecting their female co-workers to **raise their voice**.
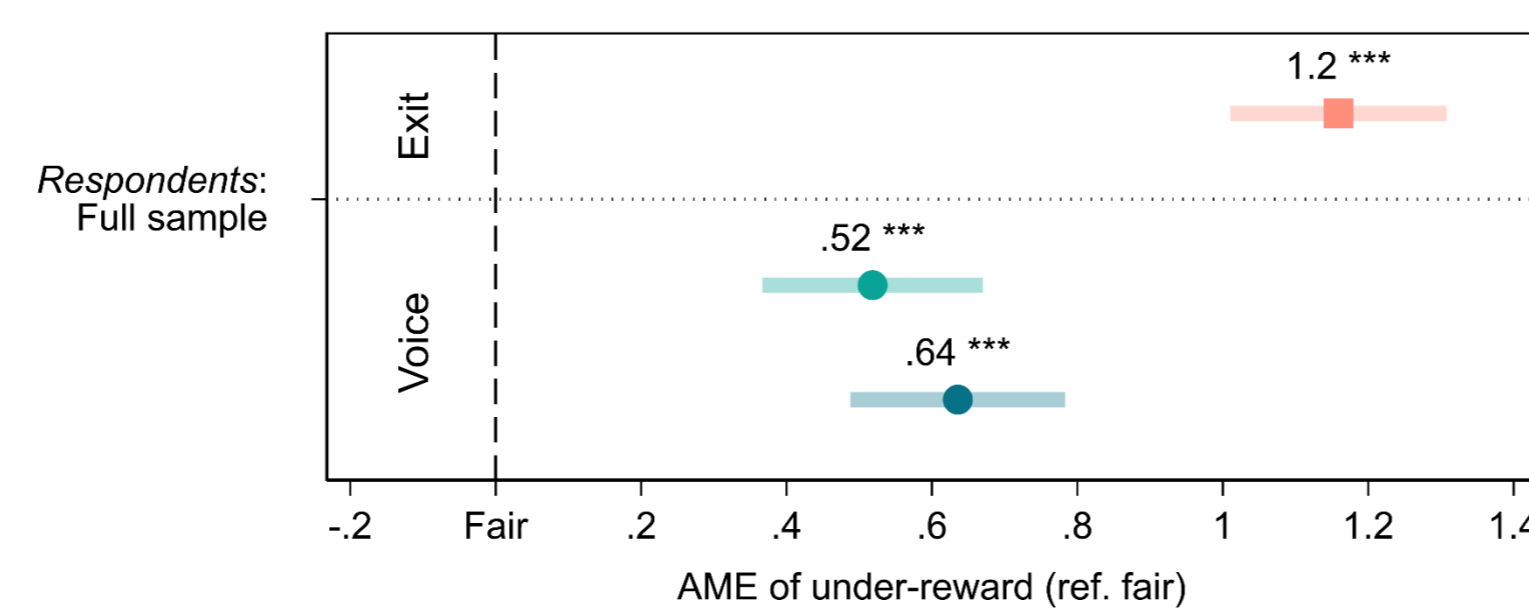   → supportive working environment

Poster for download:
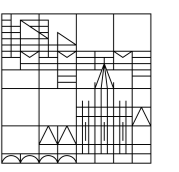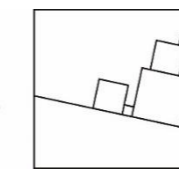
Under-rewarded women are expected to **less often raise their voice** (wage negotiations, complain at works council).
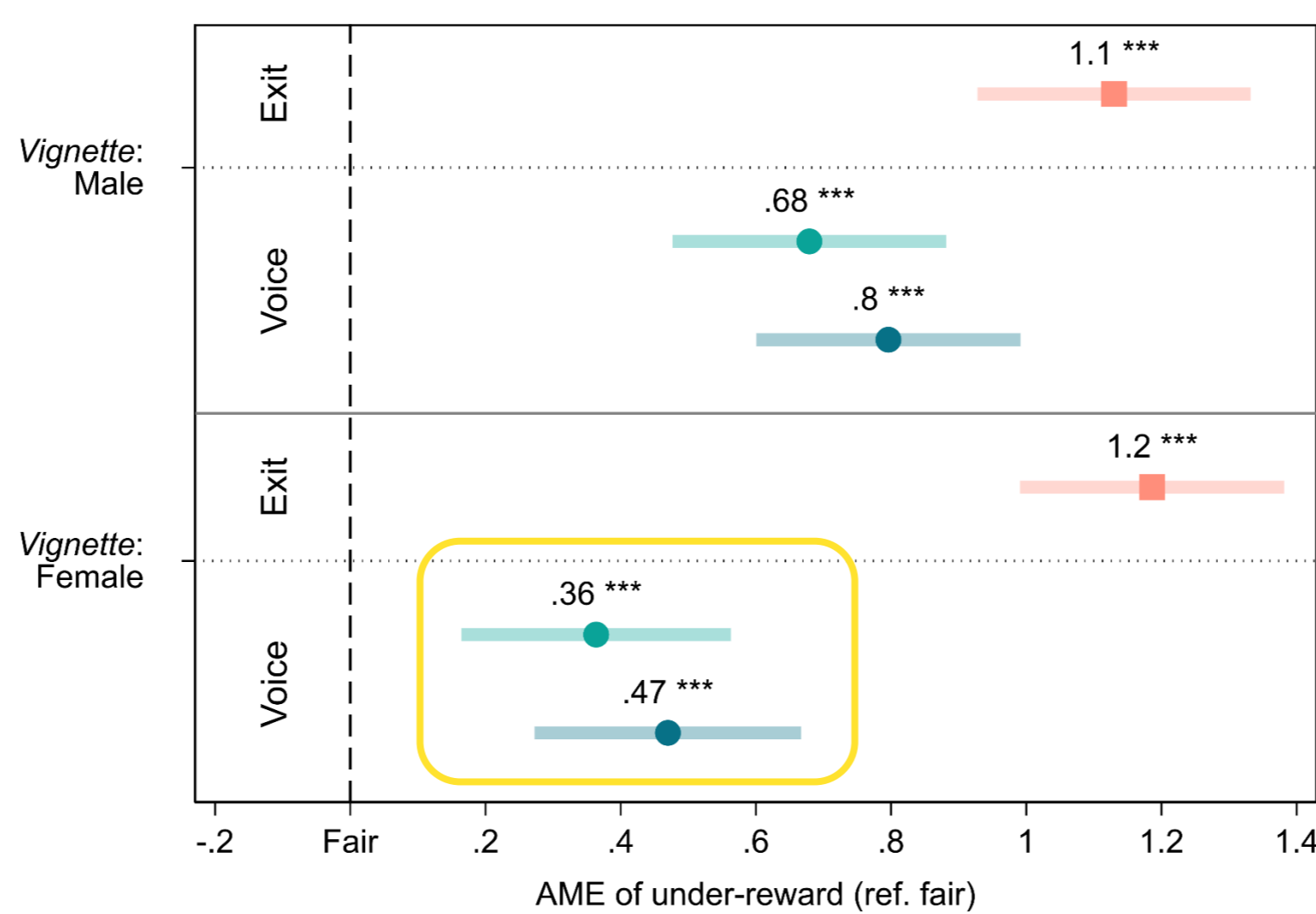These expectations are **shared by men and women** and do not prevail in **supportive working groups** (female supervisor, not male-dominated).
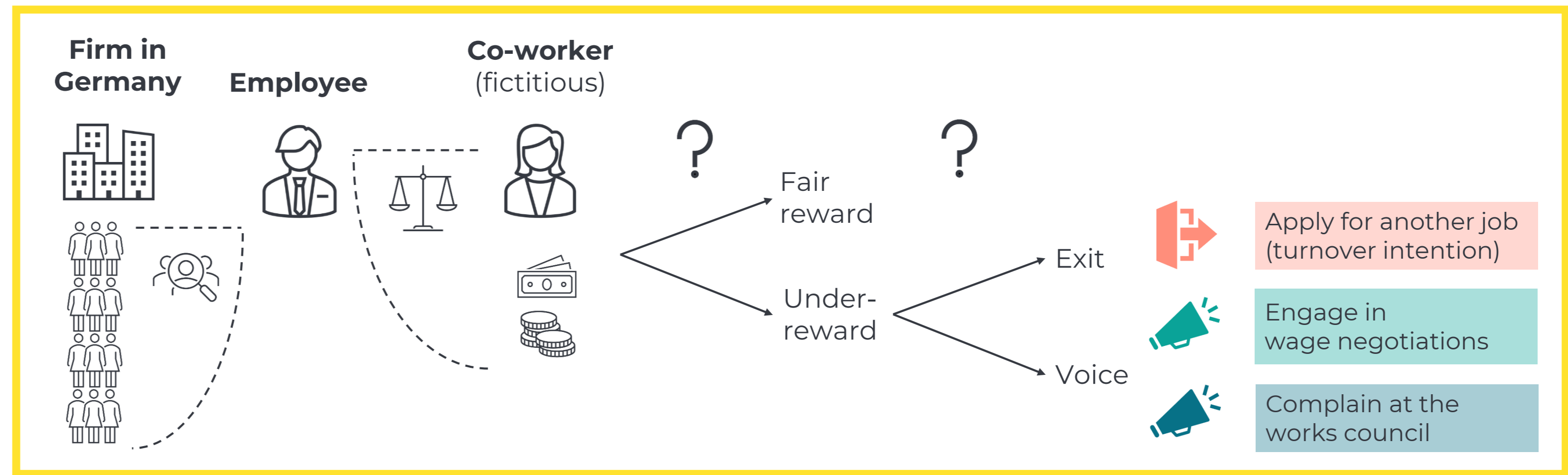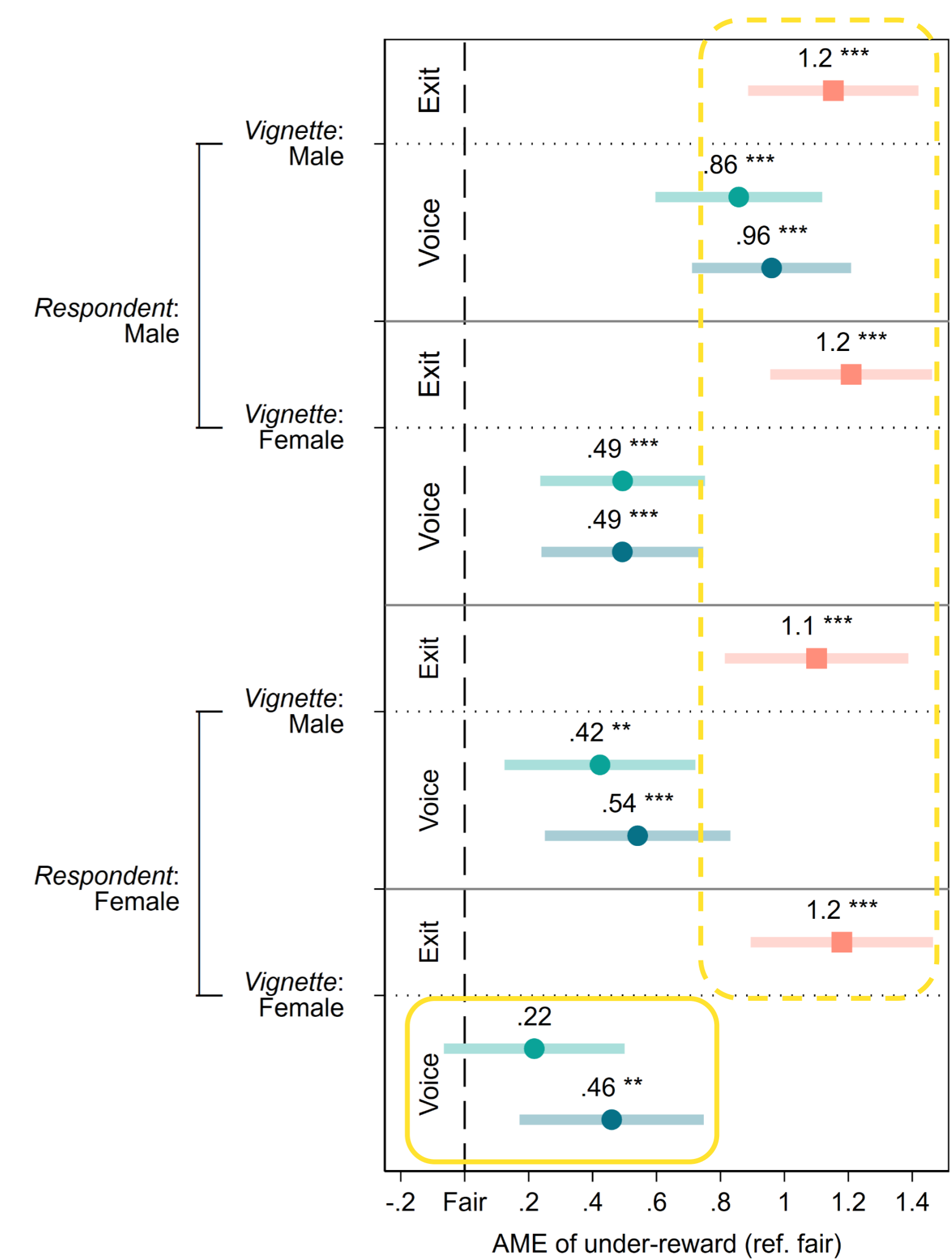

① Exit or Voice?

② Gender of co-worker

③ Respondent gender + gender of co-worker

④ Role of workgroup context? Women evaluating female co-workers:

a) By gender of supervisor

b) By gender composition