Discussion of "The Gender Promotion Gap: Evidence from Central Banking" by Hospido, Laeven, Lamo

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This paper

This is a nice paper that uses a unique data set to ask several important questions:

- Is there a gender gap at the ECB
  - wages
  - promotion
- What is it due to?
  - Children
  - Different characteristics
  - Discriminatory practices
- Did policy change in 2010 make a difference

What the pictures show

- Women start at the ECB (conditional on entry in F/G) with a 1.25% lower wages
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- After 10 years of tenure at the ECB, the wage gap is 30 steps (7.5%).
- The 10-year gap is even larger with children Wage Child Pic

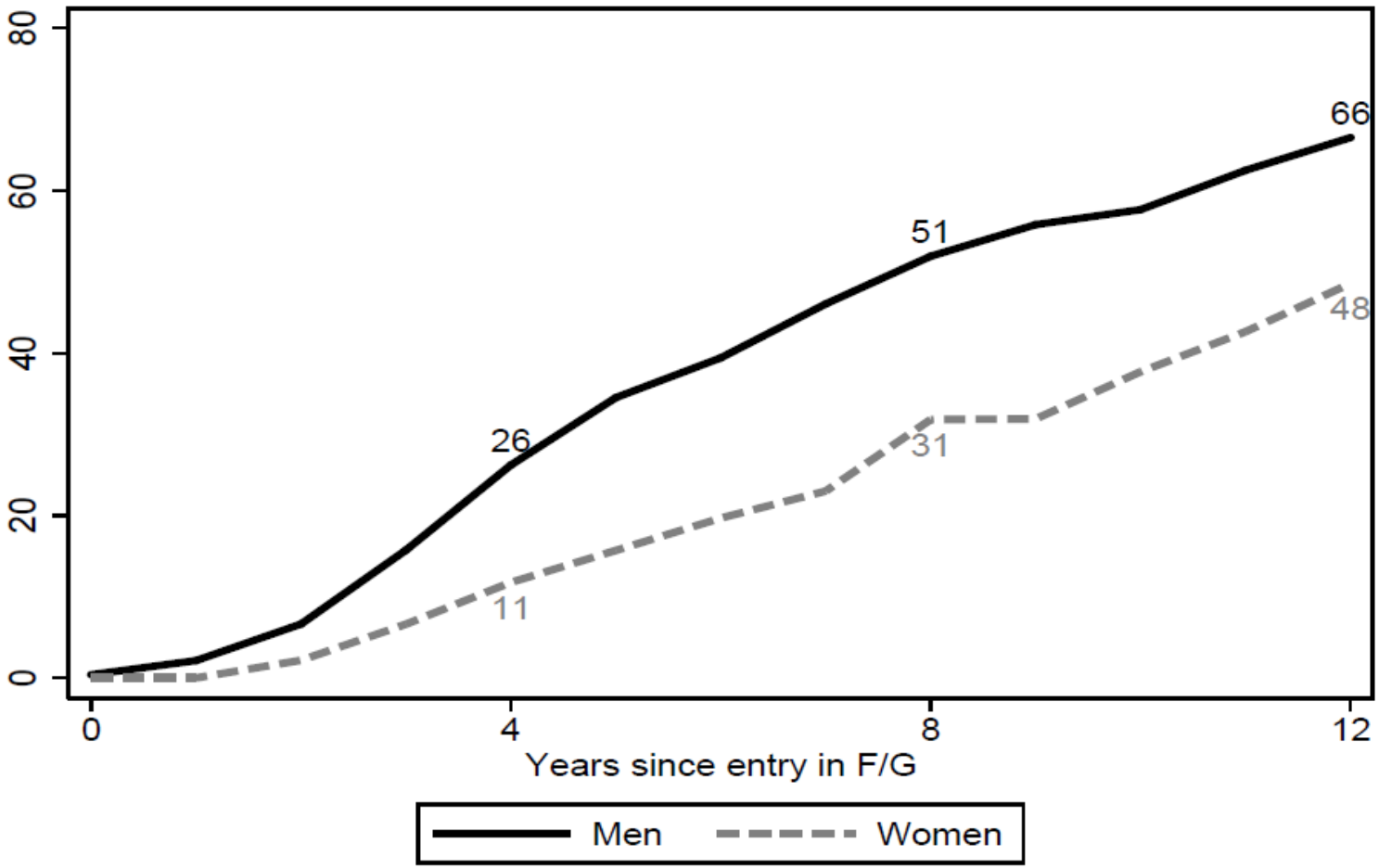
Wage Regressions

The wage regressions are sensitive to controls in a way that is often difficult to interpret: Tables 4&5

- Tenure and age are getting mixed up
- Why should one control for the salary band?
  - What band one is in is itself an endogenous object
- The specification should instead control for education (unless everyone has a Ph.D), initial wage (step) upon employment at ECB, and tenure at ECB.
  - It would simply be a more sophisticated version of the picture
- Instead of dividing sample by having vs not having a dependent child, include all in same regression and interact female with child.
- Why not look at children's effect on wages using individual fixed effects (as done with promotions)?

Promotions: A damning picture

Figure 3: Probability of promotion from salary band F/G, % (2003-2017)



Average annual probability of promotion (moving from salary band F/G to H or I) by gender since

Promotions & 2010 Reform: Regression analysis

- The probability of promotion from band F/G is .4% per month (4.8% per year)
- Regression analysis (without indiv fixed effects) shows:
  - Women have a significant lower prob. of promotion prior to 2011
  - Conditioning on indicators of "merit" (top performer, bonus) this lower probability of promotion persist after 2010, but the promotion gender gap becomes smaller (column 2)
  - Promotion gap especially large for women with children prior to 2010, but still there after reform (column 4) Table 7
  - Authors then ask whether there may not be something different about these women...

Promotions & 2010 Reform: Individual f.e. analysis

- Regression analysis with individual fixed effects shows:
  - A significant & large decrease in a woman's probability of being promoted once she has children (-0.005)
  - A significant & large increase in a man's probability of being promoted once he has children (0.004) Table 8
  - Distinguishing before and after 2010, clear negative effect for women from children before 2011
  - After 2010, nothing is significant...but the coefficient on female x child is large and negative and unlikely to be significantly different from the pre period.

Application gender gap: 2012-2017

This section is a bit more preliminary but it shows:

- A significant gender gap in applying for a promotion
- This gap appears to be larger when the campaign is open to external candidates
- Also larger when there are more candidates who are potential candidates (high in the salary band)
- The negative effect of children is there for both men and women (but larger for men!) Table 13
- I found it hard to integrate these results (on children) with the prior negative coefficient on promotion for women.
- Why not also use individual fixed effects here?

What can we conclude?

- One possibility, suggested both by the pictures and by the regressions, is that men react to children (maybe marriage is sufficient?) in ways that enhance their promotion.
- Is it that men with children/wives have a household arrangement such that they work more or make more effort to get promoted?
- Women's behavior would then be the counterpart of that – work less intensely and make less of an effort to obtain a promotion.
- The paper was silent on whether women take time off from work once they have a child – how does that affect their years of tenure?

Policy Implications

- If working harder is simply a response to being in a tournament without a real increase in productivity, then this aspect should be given less significance in promotion and wage decisions.
- If working harder has real productivity consequences, then we need to think about how much is due to household norms and how much is due to the difficulties associated with child care or simply the intensity of parenting in the modern world (but this is also norm driven).
- Maybe women in the ECB should be encouraged to take shorter leaves? Maybe childcare should be facilitated? It would be helpful if the paper described current arrangements.
- If women are truly being held back by their attitudes towards competition, then this could be overcome by simply having as default that everyone who is a "top performer" is automatically considered for promotion unles they explicitly opt out.

Wage regression: table 4

Table 4: Linear regression of logwages: Baseline

					Within band F/G	
	(1)	(2)	(3)	(4)	(5)	(6)
Female	-0.013**	-0.011**	-0.064***	-0.036***	-0.022***	-0.015**
	(0.006)	(0.005)	(0.013)	(0.010)	(0.007)	(0.006)
Tenure within band	0.019***	0.012***	0.014***	-0.003***	0.022***	0.013***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Salary band H	0.314***	0.266***				
	(0.005)	(0.006)				
Salary band I	0.415***	0.353***				
	(0.007)	(0.008)				
Age dummies	No	Yes	No	Yes	No	Yes
Observations	85516	85516	85516	85516	58544	58544
R^2	0.822	0.866	0.122	0.511	0.504	0.643

Wage regression: table 5

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Table 5: Linear regression of logwages: Subsamples

			Within band F/G	
	(1) No child	(2) Children	(3) No child	(4) Children
Female	-0.007	-0.016**	-0.010	-0.021**
	(0.007)	(0.007)	(0.008)	(0.009)
Tenure within band	0.013***	0.011***	0.012***	0.014***
	(0.001)	(0.001)	(0.001)	(0.001)
Salary band H	0.285***	0.253***		
	(0.010)	(0.007)		
Salary band I	0.370***	0.342***		
	(0.014)	(0.009)		
Age dummies	Yes	Yes	Yes	Yes
Observations	38024	47492	31279	27265
R^2	0.838	0.859	0.635	0.614

Notes: Linear regression, monthly data 2003-2017. Robust standard errors in parentheses, clus-

Promotions

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Table 7: Linear regression of the probability of promotion: Policy change

	(1)	(2)	(3) No child	(4) Children
Female	-0.0028***	-0.0028***	-0.0016**	-0.0042***
	(0.0007)	(0.0007)	(0.0008)	(0.0012)
Tenure within band	0.0006***	0.0004***	0.0003***	0.0005***
	(0.0001)	(0.0001)	(0.0001)	(0.0001)
Temporary promotion	0.0012	0.0003	0.0017	-0.0011
	(0.0008)	(0.0008)	(0.0011)	(0.0012)
Post-2010	-0.0064***	-0.0066***	0.0008	-0.0097***
	(0.0016)	(0.0016)	(0.0019)	(0.0035)
Female x Post-2010	0.0025**	0.0019*	0.0013	0.0023
	(0.0010)	(0.0010)	(0.0012)	(0.0017)
Top performer		0.0041***	0.0024***	0.0060***
		(0.0005)	(0.0006)	(0.0009)
Bonus		0.0031***	0.0029***	0.0032***
		(0.0008)	(0.0011)	(0.0012)
Mentee		0.0033	0.0037	0.0031
		(0.0027)	(0.0042)	(0.0035)
Observations	59356	59356	31590	27766
R^2	0.003	0.004	0.005	0.006

Promotions: Indiv fixed effects

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Table 8: Linear regression of the probability of promotion: Differential effects

	(1)	(2) Before 2011	(3) From 2011
Tenure within band	0.0011***	0.0012***	0.0011***
	(0.0001)	(0.0002)	(0.0003)
Top performer	0.0043***	0.0041***	0.0021
	(0.0009)	(0.0013)	(0.0015)
Female x Top performer	-0.0020	-0.0020	0.0003
	(0.0014)	(0.0019)	(0.0024)
Bonus	0.0043***	0.0055*	0.0026
	(0.0013)	(0.0031)	(0.0016)
Female x Bonus	-0.0006	-0.0089***	-0.0005
	(0.0019)	(0.0034)	(0.0025)
Mentee	-0.0014		0.0009
	(0.0041)		(0.0049)
Female x Mentee	0.0079		0.0039
	(0.0059)		(0.0070)
Children	0.0037*	0.0044	0.0024
	(0.0021)	(0.0032)	(0.0035)
Female x Children	-0.0053**	-0.0067*	-0.0056
	(0.0025)	(0.0039)	(0.0045)

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Table 13: Linear regression of the probability of applying for promotion: Campaigns dataset

	(1)	(2)	(3)	(4)	(5)	(6)
Female	-0.0175***	-0.0199***	-0.0154***	-0.0112***	-0.0088**	-0.0106**
	(0.0028)	(0.0036)	(0.0031)	(0.0035)	(0.0036)	(0.0043)
Tenure within band	0.0014***	0.0014***	0.0014***	0.0017***	0.0017***	0.0017***
	(0.0004)	(0.0004)	(0.0004)	(0.0004)	(0.0004)	(0.0004)
Top performer	0.0116***	0.0115***	0.0116***	0.0119***	0.0119***	0.0118***
	(0.0028)	(0.0028)	(0.0028)	(0.0028)	(0.0028)	(0.0028)
Bonus	0.0085***	0.0087***	0.0085***	0.0085***	0.0084***	0.0085***
	(0.0031)	(0.0031)	(0.0031)	(0.0031)	(0.0031)	(0.0031)
Mentee	0.0274***	0.0270***	0.0273***	0.0292***	0.0292***	0.0289***
	(0.0077)	(0.0078)	(0.0077)	(0.0079)	(0.0079)	(0.0079)
Children		-0.0073**				-0.0074**
		(0.0033)				(0.0033)
Female x Children		0.0059				0.0059
		(0.0043)				(0.0046)
Female x External Campaign			-0.0123*		-0.0132**	-0.0132**
			(0.0064)		(0.0061)	(0.0060)
Competition Index				-0.0235	-0.0234	-0.0219
				(0.0187)	(0.0187)	(0.0191)
Female x Competition Index				-0.0284**	-0.0289**	-0.0317**
				(0.0132)	(0.0132)	(0.0132)
Observations	23209	23209	23209	23208	23208	23208
R^2	0.022	0.023	0.022	0.023	0.023	0.024

Notes: Linear regression, campaigns data 2012-2017. The sample includes potential candidates to

Some important pictures

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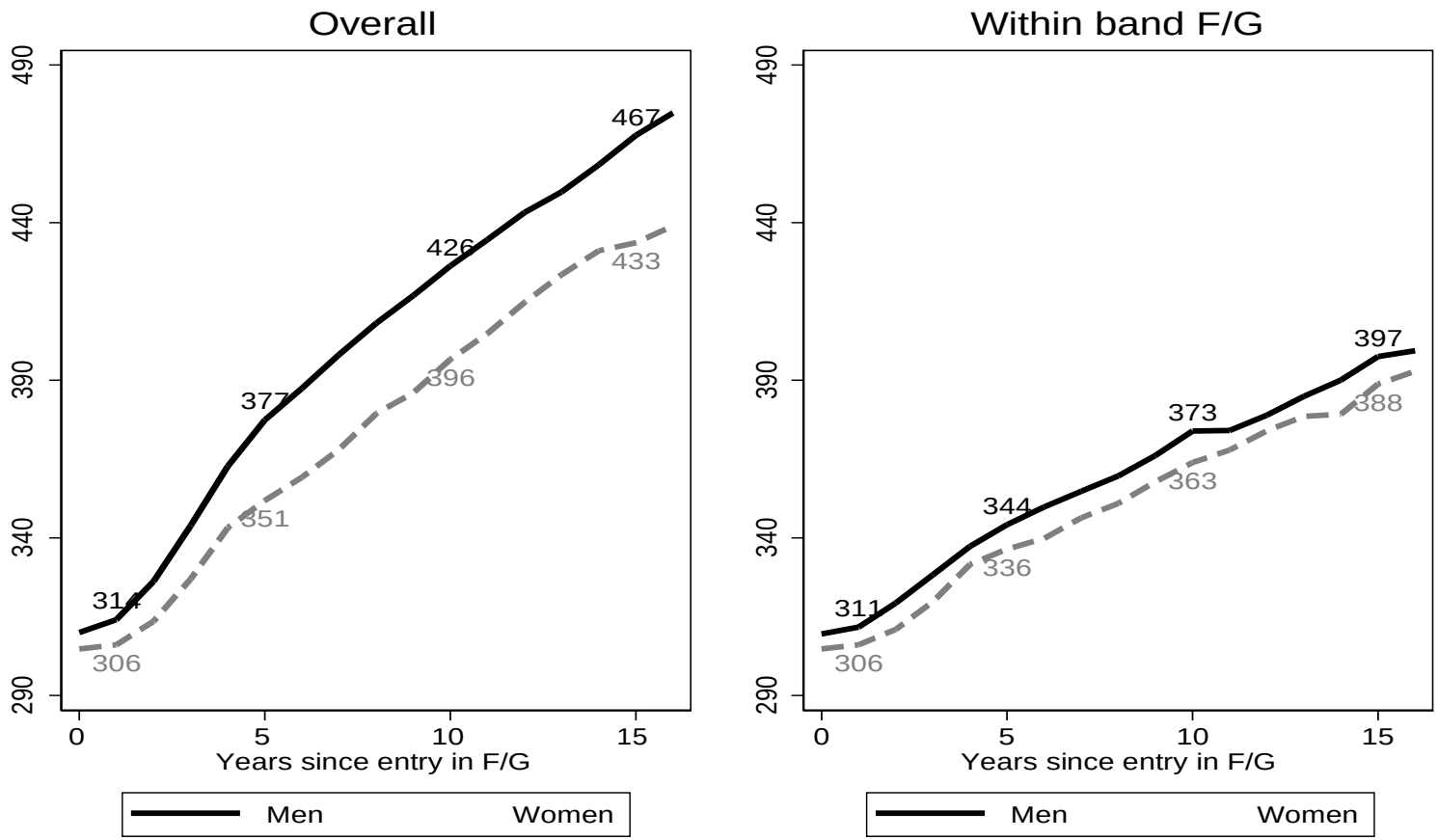
Figure 1: Wages since entry in F/G (2003-2017)



Some important pictures

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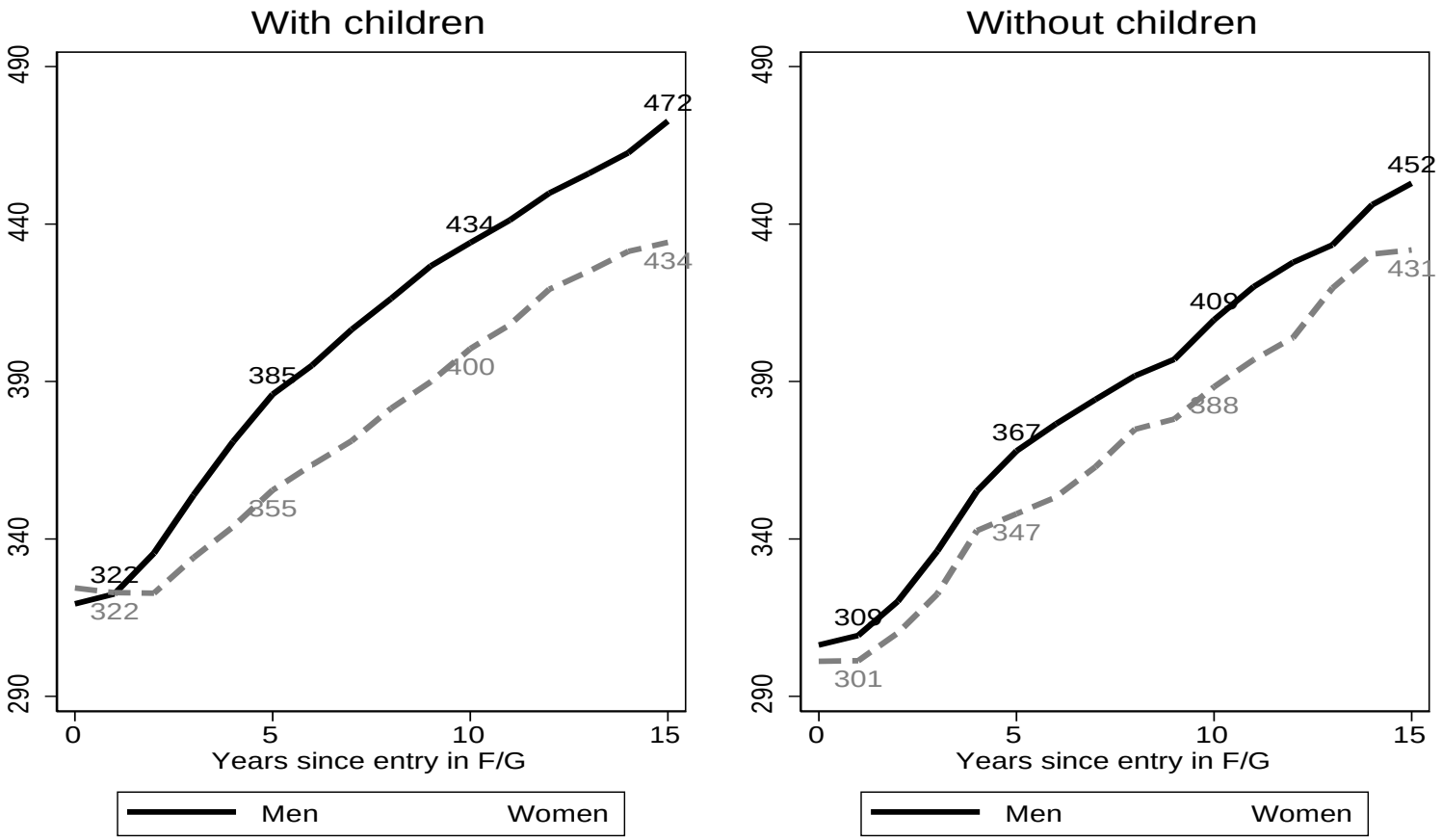
Figure 2: Wages since entry in F/G, children (2003-2017)



Notes: Left-panel: average step levels by gender since entry in F/G for employees with dependent childrer
Right-panel: average step levels by gender since entry in F/G for employees without dependent children.