



Economics in Context

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Gender Wage Inequality and Work Hours

As shown in Chapter 0, women in the United States currently earn about 82% of their male counterparts. One of the traditional explanations for the persistence of a gender wage gap is that women's earnings are often hampered by the competing demands of family life. According to this perspective, employment policies that permit "flexibility," such as adjustable work schedules, work sharing, and paid leave policies, can be particularly beneficial to women.

However, recent research suggests that such employment flexibility policies can backfire. Employers may be less likely to hire women due to the potential costs of these policies. For example, a law in Spain that gives employees with young children the right to request reduced work hours was found to reduce the probability that women would be hired in the first place. A law in Chile that mandated employer-paid child care led to a reduction in the starting salaries of women.

Companies may also be less likely to invest resources in training women employees. According to research by Mallika Thomas at the University of Chicago, in the U.S. the Family and Medical Leave Act of 1993 has been successful at keeping female workers employed during leave periods. However, female workers hired after the passage of the Act were 8% less likely to be promoted than those hired previously.

These family-friendly policies can often be designed to be more effective, for example by having the government bear the costs rather than employers. But according to research from the Harvard Business School, these policies fail to address a fundamental cause of the gender wage gap. The study focuses on how long work hours reinforce gender-based wage inequality. As discussed in the text,¹ Americans work more hours per year, on average, than workers in other developed nations. Policies aimed at reducing work hours, for

men as well as women, may be the most effective way to reduce the gender wage gap, particularly among higher-paid professions.

"These 24/7 work cultures lock gender inequality in place, because the work-family balance problem is recognized as primarily a woman's problem," says co-author Robin Ely, a professor at Harvard Business School. "The very well-intentioned answer is to give women benefits, but it actually derails women's careers. The culture of overwork affects everybody."

Dr. Ely and her colleagues found that men and women respond to the pressure to work long hours differently. They conducted in-depth interviews with employees at an unnamed global consulting firm, who worked an average of 60 to 65 hours per week. Men and women were equally likely to indicate that long work hours interfered with their family lives. In response to long work hours, a higher percentage of women took

¹ See below for relevant chapters.

advantage of flexible work policies, such as working part-time or moving to a less demanding role in the company. While these actions reduced work hours, they also reduced women's chances for career advancement. On the other hand, men were more likely to comply with requests to work long hours, and consequently receive promotions.

Another finding of the study is that similar actions by employees are often interpreted differently through a gender-based lens. For example, when a man left the office at 5:00 PM, co-workers tended to assume he was going to meet a client. But when a woman left at 5:00 PM, the most likely interpretation was that she was going home to her family. (Padavic, et al., p 11)

Even those women who did work long hours were viewed differently than men. According to one female associate: "When I look at a female partner, it does leak into my thinking: How do I think she is as a mother in addition to how do I think she is as a partner? When I look at men, I don't think about what kind of father they are."

When the consulting firm was presented with the results of the analysis, they rejected the conclusion that addressing the problem of long work hours was the most effective way to foster gender equality, preferring to focus only on gender issues rather than reduce overall working hours.

Other companies have been willing to experiment with policies

that encourage all workers to take time off for family and other personal needs. In a study of the Boston Consulting Group, some employees were organized into teams designed to foster schedule predictability. Each worker on the team was allowed to take predictable time off each week, with other team members filling in if needs arose during one's scheduled time off. Compared to employees not organized into these teams, the team members rated their work as more efficient and more valuable to clients. Team members were also more satisfied with their work-life balance and more likely to imagine themselves working for the company for a long time.

Sources:

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