

Daddy's girl: Daughters, managerial decisions, and gender inequality

Abstract

We study the role of managers' gender attitudes in shaping gender inequality within the workplace. Using Danish registry data, we exploit the birth of a daughter as opposed to a son as a plausibly exogenous shock to male managers' gender attitudes and compare within-firm changes in women's labor outcomes depending on the manager's newborn gender. We find that women's relative earnings and employment increase by 4.4% and 2.9% respectively following the birth of the manager's first daughter. These effects are driven by an increase in managers' propensity to replace male workers by hiring women with comparable education, hours worked, and earnings. In line with managers' ability to substitute men with comparable women, we do not detect any significant effect on firm performance. Finally, we find evidence of rapid behavioral responses which intensify over time, suggesting that both salience and direct exposure to themes of gender equality contribute to our results.

This paper is joint work with Nina Smith (Aarhus University and IZA)

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