

## **Male managers changing gender attitude after a female newborn**

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Despite decades of progress, sizable gender gaps in economic outcomes persist in virtually all countries. This is true irrespective of the reversing gaps in college completion rates, the introduction of affirmative actions aimed at removing entry barriers in male-dominated occupations, and the increased generosity of family policies. If policies and traditional human capital factors cannot explain earnings or employment differentials, what can?

A natural candidate revolves around gender attitudes and norms. Indeed, there is growing evidence showing that attitudes towards women's role in the workplace and the society at large can feed into gender gaps by influencing women's choices in the labor and marriage markets. But do gender attitudes also influence the actions of managers, top decision-makers inside the firm? Focusing on the gender attitudes of this specific group of individuals seems particularly important, given that managers can directly influence the career trajectories of the workers they supervise. If attitudes towards women and gender inequality affect the way managers choose who is hired or promoted, for example, we may observe differences in women's relative outcomes across otherwise identical companies.

Uncovering the interplay between managers' gender attitudes and gender equality in the workplace is a difficult task, as attitudes are unobservable and plausibly correlated with other individual characteristics, such as socio-economic background or previous career choices. In a research project - joint with Nina Smith (Aarhus University) - we leverage as source of "natural" variation in the gender attitudes of male managers the birth of a daughter, as opposed to a son. In doing so, we build on previous work establishing that having daughters can influence fathers' values and behaviour, while it leaves mothers' one largely unaffected. The idea is that men, who do not experience gender inequality directly, may become more sensitive to these issue through their daughters, as daughters can increase a man awareness of the cultural and structural barriers that still exist for women and girls in our society.

Think about a setting in which we observe two male managers, who are both the unique decision-makers in their firm and who both experience a birth event. Nature however, "randomly" assigns to one manager the birth of a daughter and to the other manager the birth of a son. In this setting, we can identify the daughter effect by comparing changes in women's outcomes, along hiring, retention, and promotion margins, around a birth event and depending on the gender of a male manager's new-born.

Using Danish data, we find evidence of a "daughter effect", as in firms where managers experienced the birth of a daughter, as opposed to the birth of a son, gender equality improves, both in terms of earnings and employment. This effect is driven by managers who experience the birth of their first female child, while the birth of extra daughters after the first one have a more muted effect. The daughter effect on gender equality is quite sizable, and it correspond to approximately  $\frac{1}{4}$  of the positive effect of having a female manager.

But what do managers do in practice to improve gender equality within their firms? Our results show that following the birth of their first daughter managers change their hiring decisions, as they increase their propensity to hire women, and especially women who look "more similar to their male colleagues", as they work full-time, have post-secondary education, and earn high salaries within the firm. While the observed change in managers hiring decisions increases women's representation among these high-remuneration positions, the overall skill composition of the

workforce at the firm does not change. Indeed, managers who experienced the birth of their first female child substitute men by hiring women with comparable characteristics. As a result, the only observable characteristic of the workforce that appears to be affected is its gender-mix, and in line with this result, we do not find that the performance of the firm is affected by the observed changes in managerial decisions.

Finding that managers' decisions change following a shift in their gender attitudes, as proxied by the birth of a daughter, has important policy implications. We still have a limited understanding of what works in tackling gender gaps within firms. Recent evidence on the effects of gender quotas indicates that increasing women's representation, on its own, may not be sufficient and that policies changing the gender attitudes of male-decision makers may also be required. In light of our results, future work could investigate what type of diversity training and firm interventions are most effective in mimicking the "daughter effect".