

# How Do Gender Quotas Affect Hierarchical Relationships?

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- how using a gender quota to select managers affect subsequent manager-worker relationships
- this depends on attitudes towards quotas

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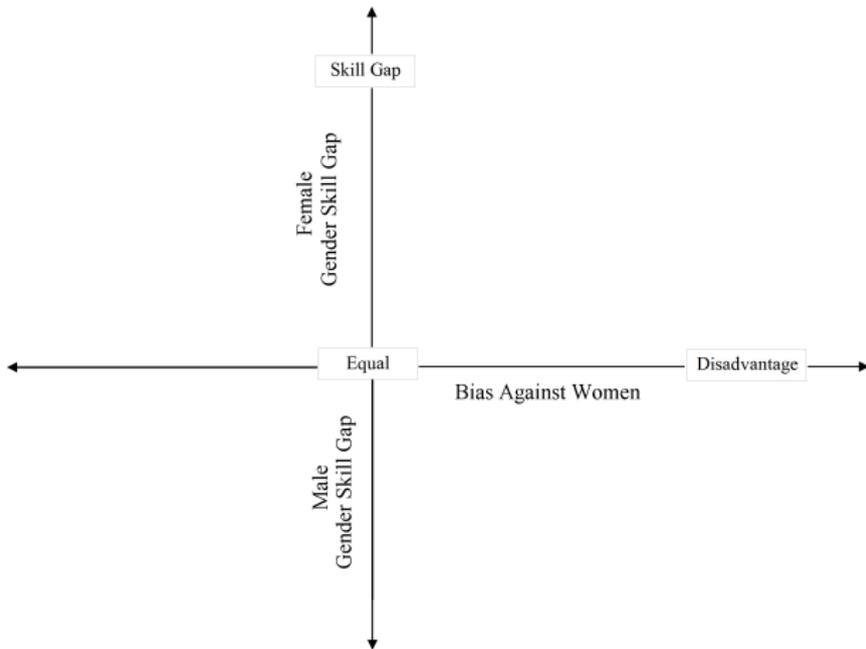
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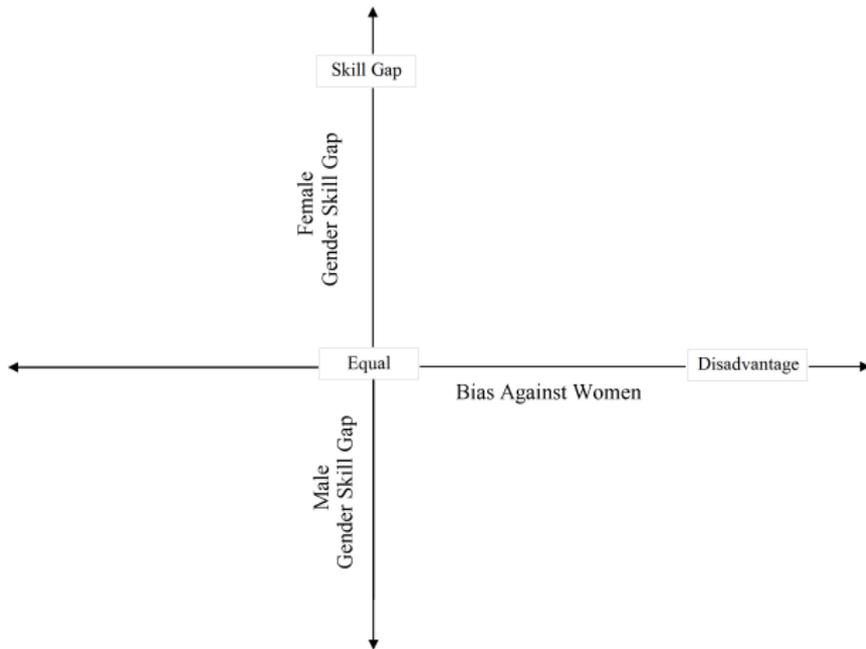
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- We propose that whether quota is meritocratic depends on the perception of labour market environment

# Meritocracy



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- Meritocratic nature of quota vs no quota varies in these 3 environments

## Attitude towards Quota

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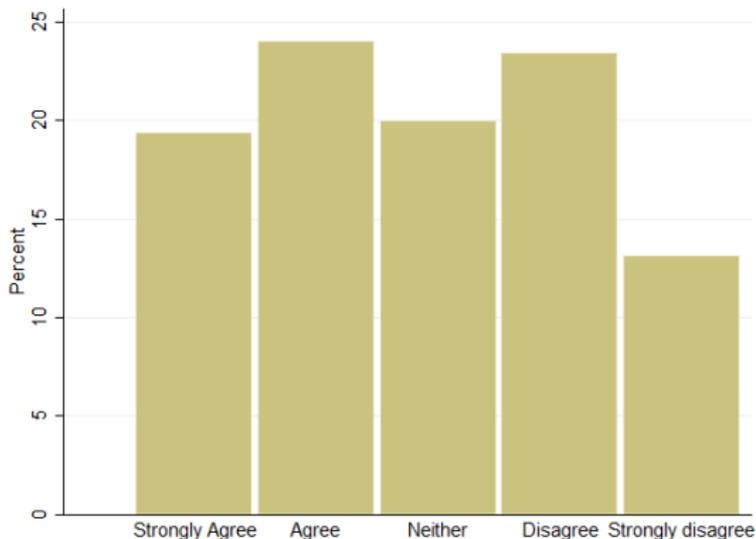
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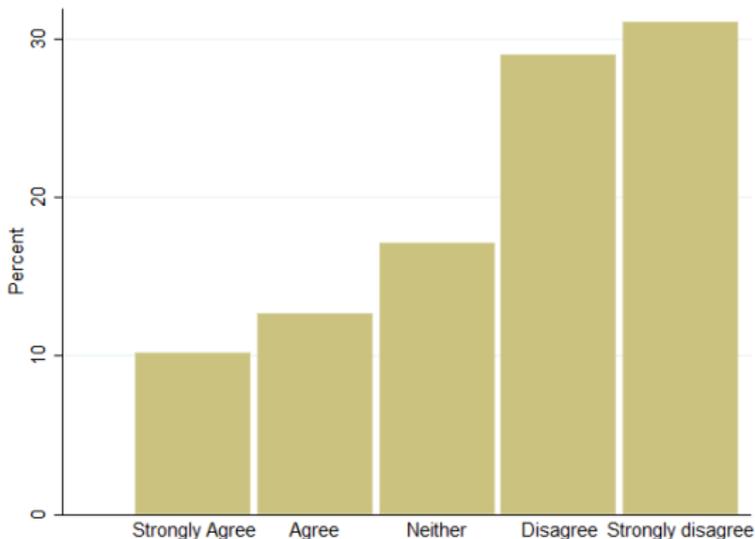
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- Then attitude towards gender quota should depend on the environments
- Online survey of 1,011 US residents (representative sample)

## General Opinion on Gender Quotas



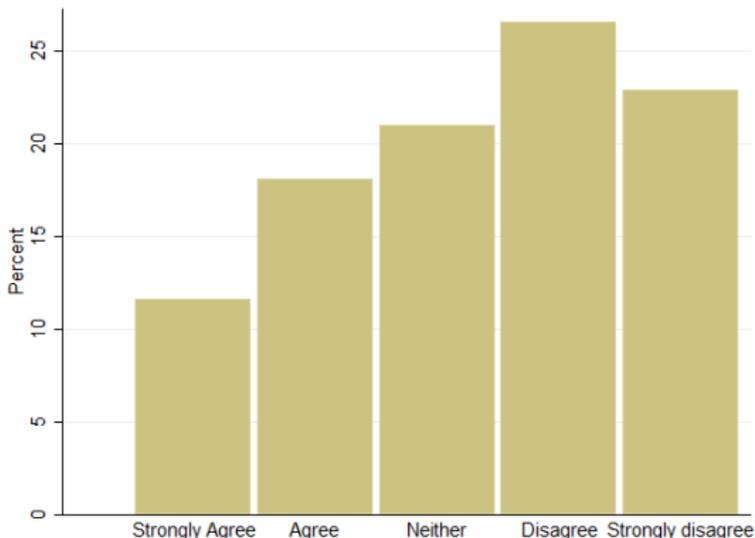
“Gender quota should be used to increase the number of women in leadership positions”

# Skill Gap



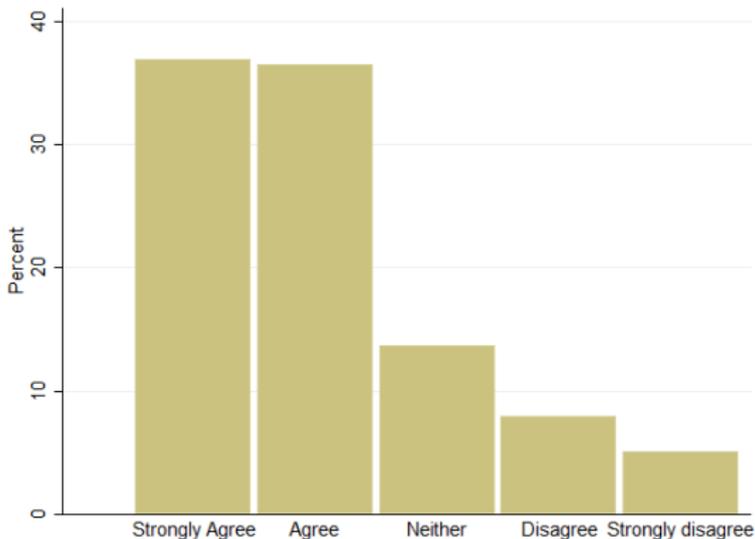
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## Equal (No Skill Gap or Disadvantage)



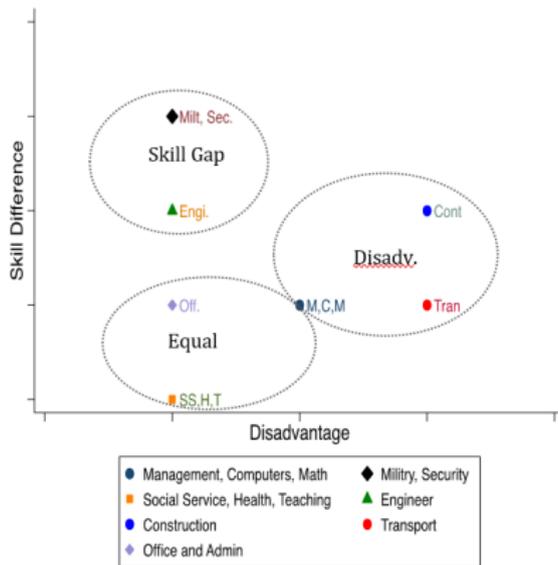
“Suppose women are on average equally suited for a certain leadership position, gender quota should be used”

# Disadvantage



“Suppose women are on average equally suited for a certain leadership position but there is a bias against female candidates in the selection process, gender quota should be used”

# Perceptions of Different Professions



“In your profession, female candidates are on average less capable of taking leadership roles than male candidates”

“In your profession, there is a bias against female candidates in the selection process of leadership positions relative to male candidates”

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- When we specify the environment, there is more consensus
- Attitude towards quota is reflected by the degree of meritocracy
- Environments differ across professions in reality
- **What are the economic impacts?**
- We hypothesise that hierarchical relationships may be reflected by attitude towards quota, which depends on the perception of labour market environment

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  - Create Bias in the selection process

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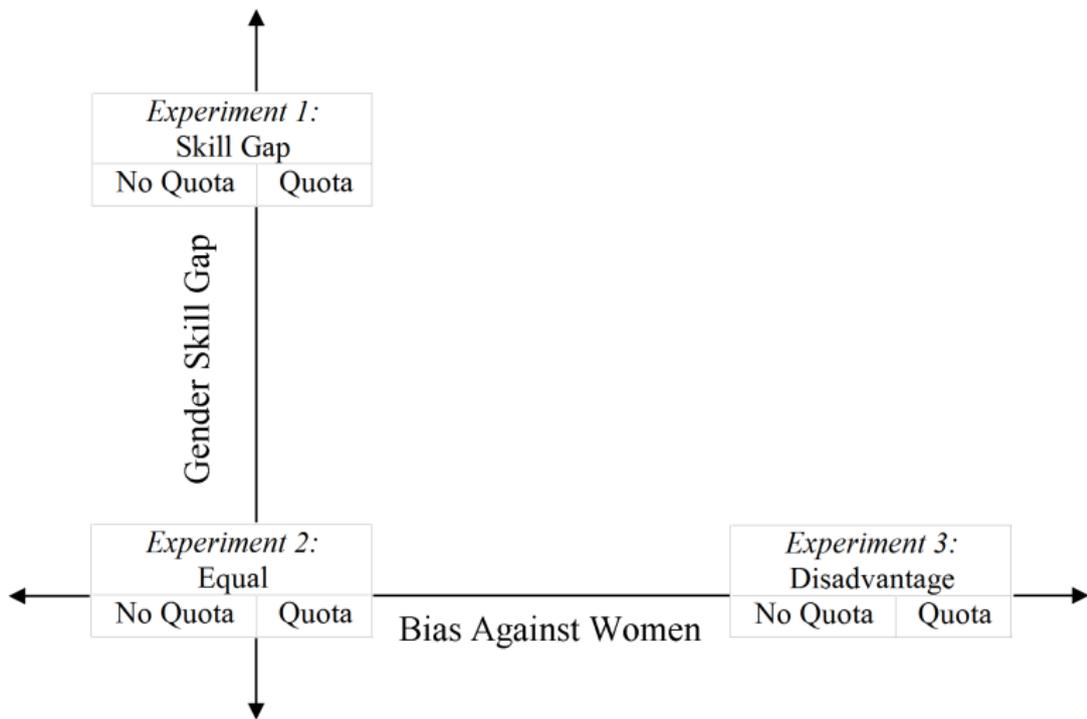
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  - Repeat 15 rounds (partner)
  - Final payoffs multiplied by manager's task 1 score

# 3x2 Design



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  - “In a previous session, males and females solved approximately the same number of sums on average”
- Disadvantage:
  - Equal + For female subjects, only first 4 minutes of the arithmetic task are scored for manager selection procedure
- All Experiments: all 5 minutes of the arithmetic task are scored for payoffs regardless of gender

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  - 1) The average male arithmetic score
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- For each question, if the subject's guess within  $\pm 1$  the actual answer he/she receives \$1

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# Hypothesis

|              | Standard/<br>Reciprocity | Meritocracy |
|--------------|--------------------------|-------------|
| Skill Gap    | →                        |             |
| Equal        | →                        |             |
| Disadvantage | →                        |             |

**Table:** Impact of Gender Quota on Gift-Exchange (Wage and Effort) Levels

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**Table:** Impact of Gender Quota on Gift-Exchange (Wage and Effort) Levels

## Result: Skill Gap

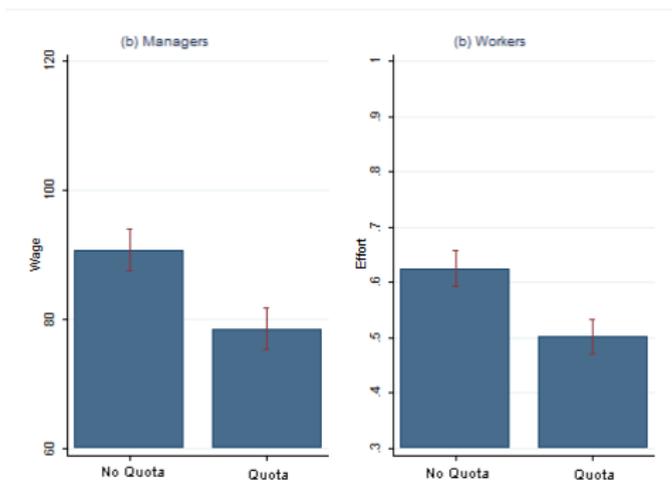


Figure:  $N_{\text{no quota}} = 44$ ,  $N_{\text{quota}} = 42$

GLS Random Effect controlling for beliefs, period and subject characteristics:  
Quota reduces effort by 13.2 % pt\*\*\* and wage by 13.4 % pt\*\*\*

# Result: Equal

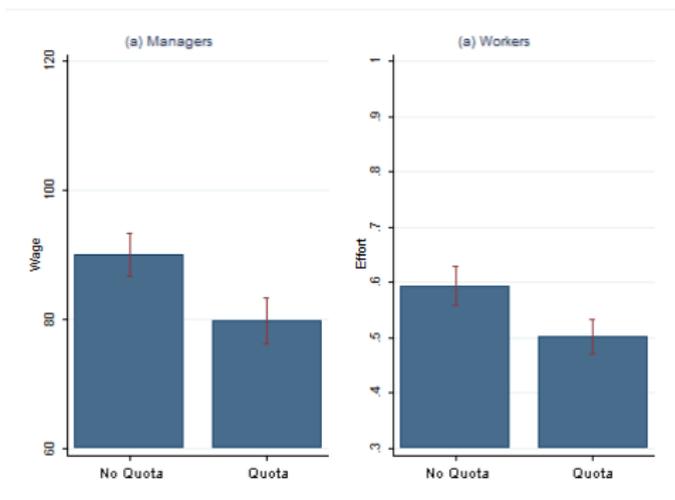


Figure:  $N_{\text{no quota}} = 42$ ,  $N_{\text{quota}} = 34$

GLS Random Effect controlling for beliefs, period and subject characteristics:  
Quota reduces effort by 12.0 % pt\*\*\* and wage by 9.6 % pt\*\*

## Result: Disadvantage

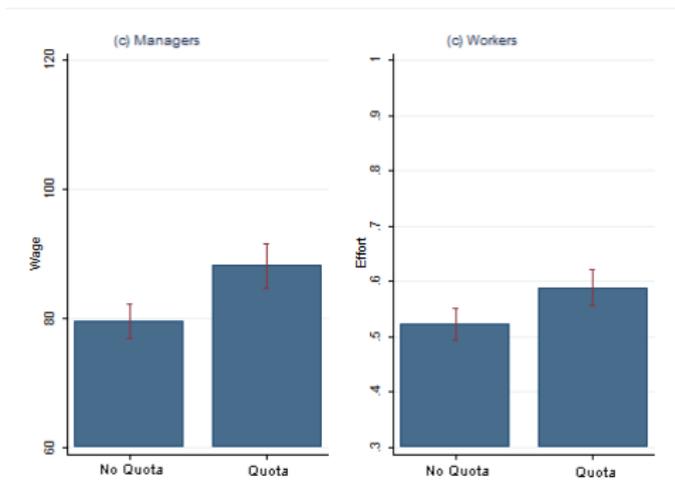


Figure:  $N_{\text{no quota}} = 48$ ,  $N_{\text{quota}} = 48$

GLS Random Effect controlling for beliefs, period and subject characteristics:  
Quota increases effort by 6.5 % pt\* and wage by 9.6 % pt\*\*\*

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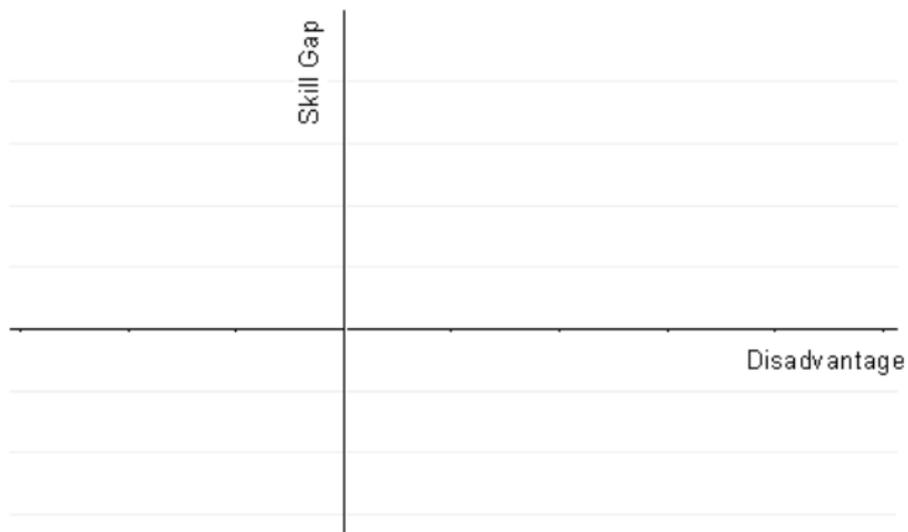
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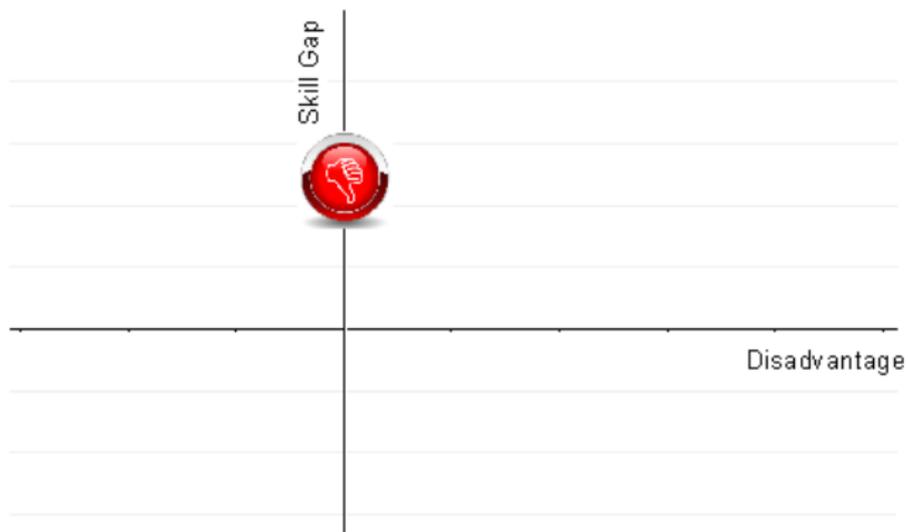
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- We find that Behaviour found in the Lab corresponds to Attitude found in the Field
- Quota should not be blindly implemented across the board
- Whether quota is good or bad depends on the perceived environment

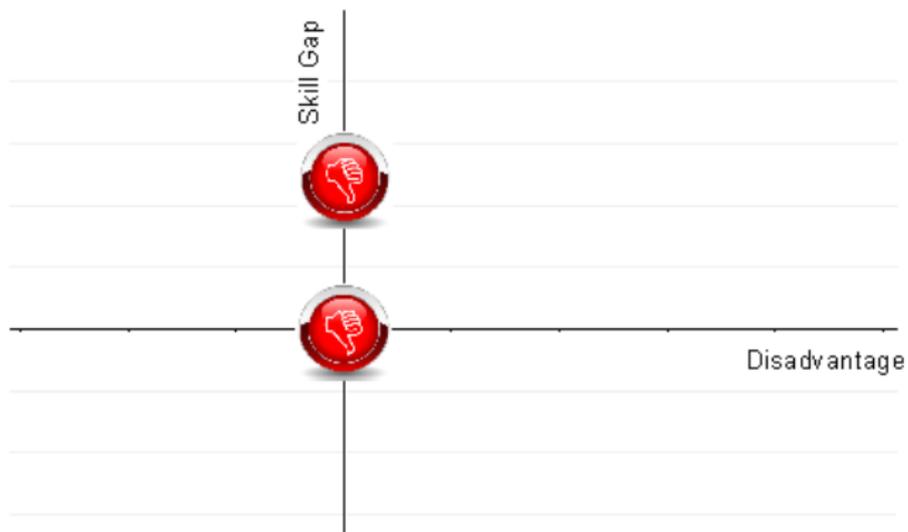
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Thank You!