



IHF

Bayerisches Staatsinstitut für
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Frequencies and Financial Returns of Employer Changes

Gender Differences among German University Graduates

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Outline

1. Aims of the study
2. Hypotheses
3. Data
4. Results
 - 4.1 Frequencies of employer changes
 - 4.2 Returns of employer changes
5. Conclusion

1. Aims of the study

- Major importance of occupational mobility
 - here only changes of the employer
- Effects on Gender Wage Gap?
- Three areas of investigation:
 1. Frequency of employer changes
 2. Financial returns of employer changes
 3. Gender differences

2. Hypotheses

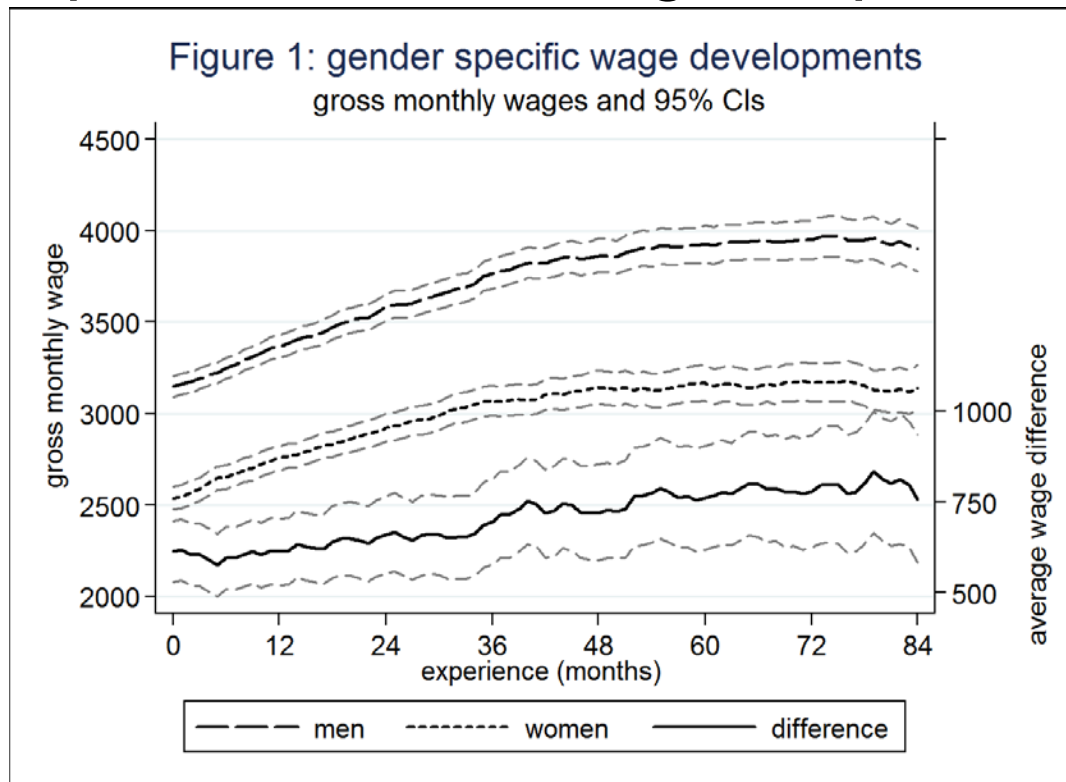
- Search cost hypothesis:
Men change employer less often (**H1**)
- Segregation hypothesis:
Men don't change employer less often (**H2**)
- Entry job hypothesis: Women gain higher returns from employer changes (**H3**)
- Advancement hypothesis: Men gain higher returns from employer changes (**H4**)

3. Data

- Bavarian Graduate Panel (German: BAP)
- Survey of Bavarian graduates of universities (of applied sciences)
- Graduation cohort 2005/06
- First and second wave (ca. 1 and 6 years after graduation)
- Data for employment characteristics on a monthly base

4. Results

- Descriptive: Gender Wage Gap over time



➤ Present already at the beginning

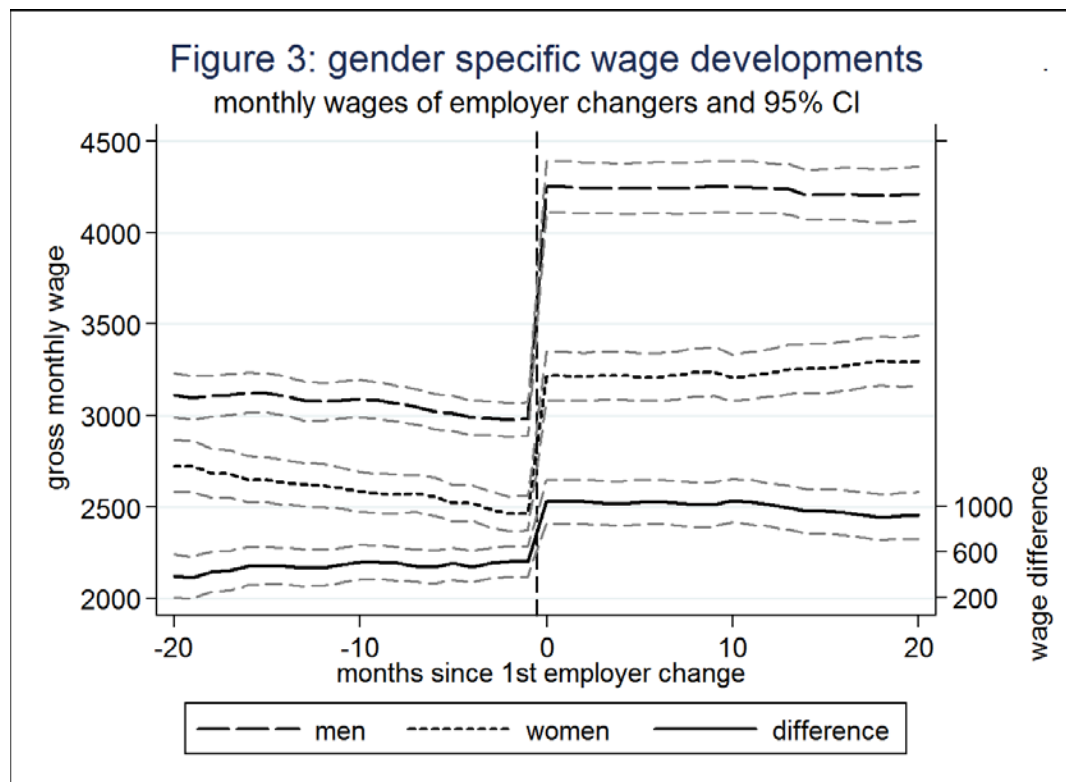
4.1 Frequency of employer changes

final number of employers	male	female	total	cumulative
1	50.89%	46.07%	48.74%	48.74%
2	33.16%	30.99%	32.20%	80.93%
3	12.91%	15.50%	14.07%	95.00%
4	2.53%	6.39%	4.25%	99.25%
5	0.51%	1.05%	0.75%	100.00%
Total	100.00%	100.00%	100.00%	

- Logistic regression: significant gender coefficient
- Changes sign after inclusion of control variables
 - Women more mobile only because of differing labor market situations
 - Argument for **H1**: search cost hypothesis

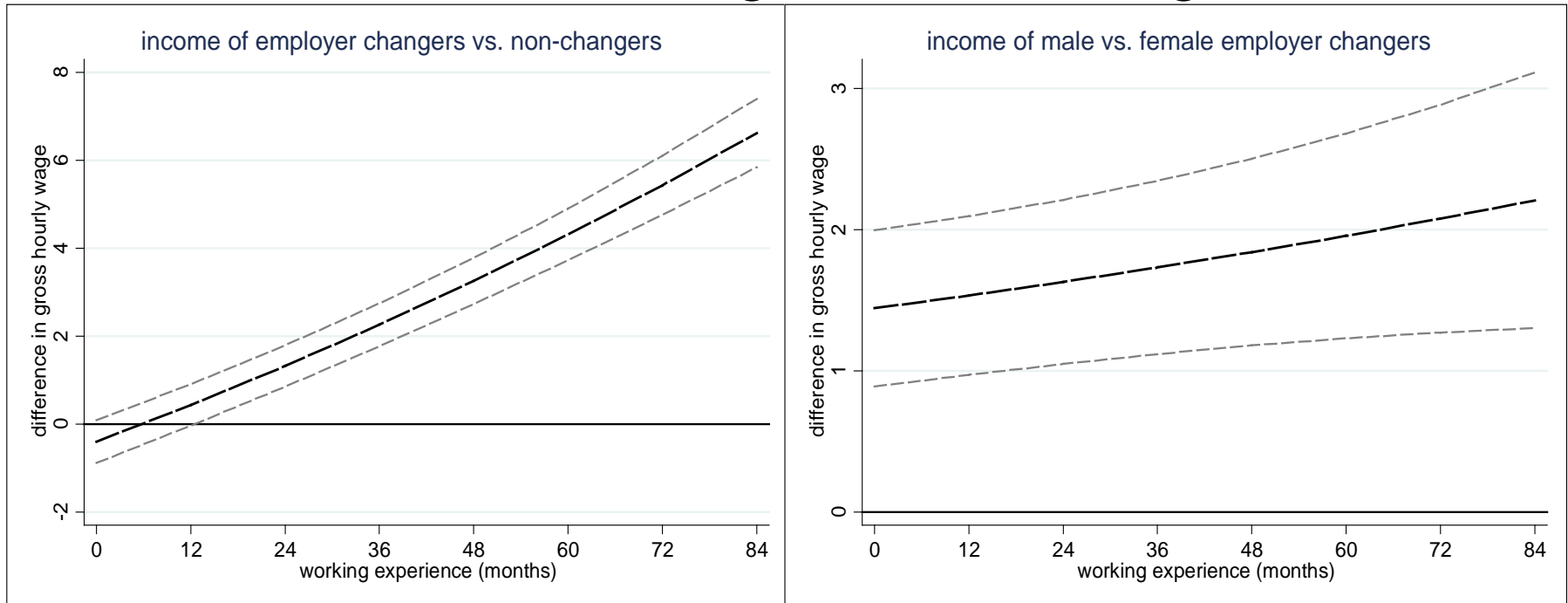
4.2 Returns of employer changes

- Descriptive: income before/after 1st change



➤ Greater difference after change

- Random-effects-regressions with growth curves



- Steeper income trajectories for mobile persons
- Among them steeper trajectories for men
- Indicator for H4: Advancement hypothesis

- Fixed-effects-regressions
- Employer as categorical variable
- Gender interaction
 - Changes pay off
- Significant interaction coefficients only with hourly wage
 - Equal relative, but larger absolute gains for men

	log. hourly wage	hourly wage
1 st employer	(reference)	(reference)
2 nd employer	0.228***	4.000***
3 rd employer	0.361***	6.321***
4 th employer	0.531***	8.527***
5 th employer	0.413	6.783
1 st employer*male	(reference)	(reference)
2 nd employer*male	0.011	1.582**
3 rd employer*male	0.047	3.955***
4 th employer*male	0.038	4.164*
5 th employer*male	0.168	6.180
<i>Industrial sector</i>		
1: BIC	-0.089*	-3.234***
2: Manufacturing	(reference)	(reference)
3: Services	-0.075**	-1.792***
4: Media, educ, assoc.	-0.140***	-3.030***
Experience	0.001***	0.018***
<i>Firm size</i>		
Small	-0.043	-0.585
Medium	(reference)	(reference)
Large	0.029	1.101*
Executive position	0.161***	3.598***
Public sector	0.050*	0.208
Unlimited contract	0.129***	1.246**
Multinat. company	0.056*	1.008**
Constant	2.686***	16.193***

5. Conclusion

- Higher occupational mobility of women
 - To large parts attributable to job characteristics (unlimited contracts, large firms, satisfaction)
 - Other variables controlled: men more mobile
- Employer changes yield equal relative returns
- But higher starting incomes for men
 - Higher absolute gains