


Bocconi

Overtime work, (in)flexible schedules
and women's career progression

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The debate

Men's overtime hours are keeping the gender pay gap alive
November 21, 2018 QUARTZ

Women Did Everything Right. Then Work Got 'Greedy.'

How America's obsession with long hours has widened the gender gap.
The New York Times

To address its gender issue, the firm would have to address its long-hours issue.

Harvard Business Review

The puzzle

Gender gap in labor market participation, pay and career has remained stable throughout the 2000s, after decades of rapid decline (*Blau 2012; Blau and Kahn 2006; England 2010*)

This was totally unexpected, as social, demographic and economic changes promoted gender equality in job market opportunities (e.g. *DiPrete & Buchmann 2013; Goldin Katz & Kuziemko 2006*).

The puzzle


Meanwhile, there has been a rising demand for working overtime and in (in)flexible hours + disproportionate rewards in terms of wage and career progression, especially in business jobs (e.g. *Goldin 2014; Gicheva 2013; Kalleberg 2011; Cha & Weeden 2014*);

However:


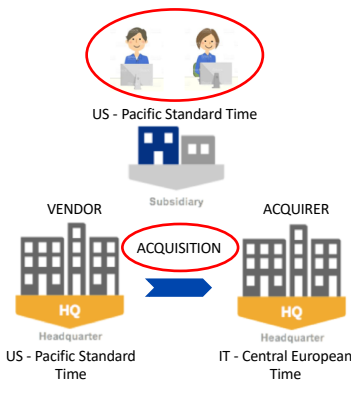
- Women less likely than men to enter jobs that require working long or in (in)flexible hours, and to remain and progress in such jobs (*Goldin 2014; Cha 2013; Stone, 2007*);
- Female sorting into jobs characterized by predictable hours and limited overwork responds to biased expectations on the role of women and the allocation of family duties (*Barbulescu & Bidwell 2013*).

→ Constraints to supply labor in (in)flexible hours are so powerful to almost cancel out the effect of women's educational gains (*Goldin 2014; Cha & Weeden 2014*).

This paper studies the effect of overtime on female career progression:



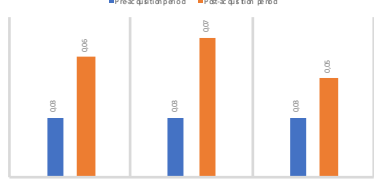
How does the increasing demand for overtime/(in)flexibility in working hours affect gender differences in career progression?

Prediction: If firms disproportionately reward flexibility in working hours, **women are penalized in their post acquisition career if the acquirer is located in a different time zone than the target**

Key assumption: Acquisitions involving a change in time zone increase the demand for overtime/(in)flexibility in working hours compared to acquisitions in the same time zone

GLASSDOOR SHARE OF REVIEWS SIGNALLING DEMAND FOR OVERTIME/INFLEXIBLE HOURS



Reviews on US target firms that have been acquired between 2010-2013 by an acquirer located in a different time zone, pre and post (2 years) acquisition

«I love working at corporate, but...I was working 55-60 hours a week and still could not get my job done»

«Projects move at a faster pace...It is not uncommon to work a lot of overtime in order to meet deadlines»

«Non-understanding of family life outside of work. Overworked employees.»

«Inflexible working hours/life balance»

Data

US firms acquired between 2010 and 2013 (Zephyr – Bureau Van Dijk):

- 284 completed majority acquisitions;
- Focus on target firms that were already part of a multinational group with headquarter in the same time zone as the target itself;
- Information on difference in time zones (number of hours) between the acquirer and the target firm.

Employees working in these companies (LinkedIn):

- 71,982 individuals in working age, almost equally balanced between males (Nm=37263) and females (Nf=34719), with more than 2 years of tenure at the target firm and at least 5 years of experience in the job market;
- Information concerning education, age, tenure at the focal firm, experience in terms of number of years from the first job reported and career steps.

Estimation strategy

$$\begin{aligned}
 Promotion_{i,f} &= \beta_0 + \beta_1 Female_i + \beta_2 Acquirer \cdot Target: Different\ time\ zone_f \\
 &+ \beta_3 Female_i \times Acquirer \cdot Target: Different\ time\ zone_f + \beta X + \varepsilon_{i,f}
 \end{aligned}$$

- Promotion: Dummy that takes value 1 if the individual reports any change in employment status within the target firm;
- β_3 captures the effect on female employees working for a target firm that is acquired in a different time zone.

Exogeneity condition: The decision to acquire a firm in a different time zone, with respect to an acquisition taking place in the same time zone, is independent of employees' individual characteristics that correlate with gender

	(1)	(2)	(3)
Dep.Var. Promotion			
Female	0.016*** (0.004)	0.008* (0.004)	0.011*** (0.004)
Target-Acquirer: Different time zone	0.030*** (0.003)	0.021*** (0.003)	0.020*** (0.005)
Female x Target-Acquirer: Different time zone	-0.022*** (0.005)	-0.015*** (0.004)	-0.017*** (0.004)
Constant	0.029*** (0.004)	-0.276*** (0.026)	-0.236*** (0.028)
Observations	72,001	72,001	72,001
R-squared	0.002	0.053	0.057
Individual controls	NO	YES	YES
Geographical distance	NO	NO	YES
Country pairs FE	NO	NO	YES
Sector FE	NO	NO	YES
Year FE	YES	YES	YES

Figure 1: Heterogeneous effects across macro-sectors (plotted coefficients)

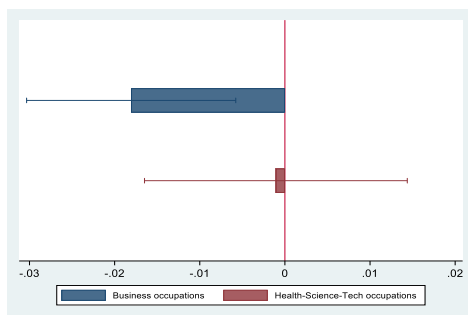
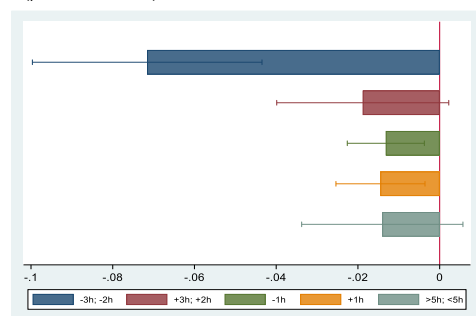


Figure 2: Heterogeneous effects across time zones (plotted coefficients)



Dep.Var.	(1) Anticipation effects: mobility btw announc. and acquis. dates	(2) Promotion in the 2 years following the acquisition	(3) Fertility years: 25-45 y-old employees sample	(4) Entry level employees sample
Female	-0.008 (0.005)	0.013*** (0.005)	0.009* (0.005)	0.004** (0.001)
Target-Acquirer: Different time zone	-0.029*** (0.007)	0.015*** (0.006)	0.020*** (0.006)	0.004** (0.002)
Female x Target-Acquirer: Different time zone	0.004 (0.005)	-0.016*** (0.005)	-0.016*** (0.006)	-0.004** (0.002)
Constant	0.396*** (0.047)	-0.294*** (0.034)	-0.776*** (0.126)	-0.013 (0.010)
Observations	78,489	67,015	50,109	74,708
R-squared	0.028	0.079	0.062	0.004
Individual controls	YES	YES	YES	YES
Geographical distance	YES	YES	YES	YES
Country pairs FE	YES	YES	YES	YES
Sector FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES

Conclusions and Implications

Gender equality in labor market opportunities calls for lower emphasis and the value of overwork and work in (in)flexible hours → Independence and autonomy to manage and retain human capital.

Address the *skill biased glass ceiling effect* (Heyman, Norback, Persson, 2018):

- Offer opportunities for career advancement and pay based on merit and talent, rather than on constraints to supply labor according to (in)flexible schedules.

Understand the consequences of *disruptive changes in organizational structures*, such as mergers and acquisitions (M&A), on workers' productivity:

- Misalignment between personal and organizational goals → loss of talent and human capital

Thanks