

Together we stand

Citation for published version (APA):

Tang, J. (2023). *Together we stand: the impact of gender equality in the workplace on employees and firms in the Netherlands*. [Doctoral Thesis, Maastricht University]. Maastricht University. <https://doi.org/10.26481/dis.20231208jt>

Document status and date:

Published: 01/01/2023

DOI:

[10.26481/dis.20231208jt](https://doi.org/10.26481/dis.20231208jt)

Document Version:

Publisher's PDF, also known as Version of record

Please check the document version of this publication:

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Impact Paragraph

This dissertation handles the relevant and important subject of gender inequality in the workplace in the Netherlands. Following sustainable development goal 5, gender equality is an explicit goal for the United Nations. To aid the achievement of that goal, my main aim of this dissertation was to explore the validity of the business-case for gender equality, i.e. the strategic value gender equality can have for firms. To assure that any possible benefits for firms would not be trumped by any drawbacks for employees, I additionally examined the effects of gender composition on employee outcomes, being wage, (mental) health and job satisfaction. I thus explicitly examine the position of women in the workplace and the labour market, gender wage differences and the well-being of employees.

I find that the share of women in occupations has a negative impact on wages for both men and women and that the difference between male and female wages are largest in male dominated occupations. Furthermore, I find that higher gender diversity, i.e. a more equal gender composition, in firms has a positive impact on productivity¹. This positive effect for firms is stronger when the gender diversity is spread out equally through all layers of the firm. That means that it is important that gender diversity is not only present for non-managerial positions, but throughout the whole hierarchy of a firm. Additionally, the positive impact of gender diversity on firms is stronger when the firm has a more positive workplace culture toward gender equality. The latter is measured as the percentage of the gender wage gap in the firm that is not explained by human capital variables. It is possible that this measure does not reflect workplace culture, in which case I find that the having men and women be more equally remunerated results in a stronger impact of gender diversity on productivity. Either way, having higher gender diversity, throughout the whole firm, and remunerating men and women equally, results in more positive productivity.

I additionally find that, for listed firms, higher management gender diversity results in more positive market valuation. This effect is stronger when these firms present their gender equality on Twitter. Firms are however punished for gender-washing, meaning that firms are valued lower when they present themselves as gender equal on Twitter while they actually have low management gender diversity. I do not find any impact of gender diversity in the firm on individual outcomes of mental health, measured through burnout symptoms, health, measured as percentage of taken sick leave, job satisfaction or turnover intention. At least on a firm level, higher gender diversity thus does not seem to have any negative impact on the observed employee

¹measured as the natural logarithm of operating revenue divided by the number of employees

outcomes. As I find that gender balanced occupations do however have lower wages than male dominated occupations, a higher share of women could impact individual wages.

These findings are relevant to society at large for the following reasons. First, it is vital that there is frequent and extensive research on the gender wage gap in order to inform the public and ensure that this vital issue remains on the political agenda. As I find that occupations with higher shares of women have lower wages on average, my research indicates that efforts to increase gender diversity should be accompanied by safeguarding mechanisms for equal and fair wages. I find that women are structurally lower paid, not only because of their prevalence in lower paid occupations but also because they generally receive lower wages than men in the same occupation. My research shows that these gender differences are not explained by human capital variables, such as education, and are not the result of higher on-the-job training of men. I thus present a strong argument for increased legislation and activism on the importance of tackling the gender wage gap.

Second, I provide concrete arguments why gender diversity should be increased in firms. Following my findings, gender diversity provides both positive outcomes for firms and no negative outcomes for its employees. This should bolster any argument for gender quota and other possibilities that increase gender diversity in Dutch firms. Combined with my finding that this positive effect of gender diversity only comes to full fruition when the different hierarchical layers of the firm are gender diverse, I find a strong argument for an improved effort for more women in higher-status positions. Generally, my findings show that firms should diversify and make sure that they remunerate the different genders equally.

Third, I show that firms are, to a certain degree, influenced by how they are perceived on Twitter. We all benefit from a need for firms to honestly communicate their gender diversity and gender equality efforts. My findings that firms presenting oneself as gender equal, while their diversity is lacking, are negatively impacted, might convince listed firms to put their money where their mouths are.

Notably, the results of my studies have already had some impact. After the publication² of a shorter and Dutch version of chapter 3 in *Economisch Statistische Berichten*, a journal for economists and policymakers in the Netherlands, multiple news articles have mentioned this study^{3,4,5}. The column of Sophie van Gool, an economist and jour-

²<https://esb.nu/meer-vrouwen-in-beroep-dempt-de-lonen/>

³<https://fd.nl/economie/1445201/loonkloof-het-grootst-in-typische-mannenberoepen-vdd3ca1Jo8sL>

⁴<https://fd.nl/ opinie/1469279/in- een-vrouwenberoep-ga-je-niet-rijk-worden-vdd3ca1Jo8sL>

⁵<https://www.dutchnews.nl/news/2022/07/wage-gap-however-you-slice-the->

nalist, in "Het Financieele Dagblad" has led to parliamentary questions⁶ ("kamervragen") regarding the influence of the share of women in occupations. On the moment of writing, these parliamentary questions have sparked an additional news article, this time in "Trouw"⁷. Furthermore, I have communicated my research and its results on Twitter and have presented my findings on multiple conferences. All empirical chapters are submitted or currently being prepared for submission to international peer-reviewed journals. As this dissertation is now finalised, I will endeavour to communicate all findings to a wider audience.

economic-pie-women-earn-less/

⁶<https://www.tweedekamer.nl/kamerstukken/kamervragen/detail?id=2023Z04076&did=2023D09552>

⁷<https://www.trouw.nl/duurzaamheid-economie/waarom-vrouwen-op-het-werk-minder-gewaardeerd-woorden-bda519c9/>