

Econ613 Reading Note (Revised)

Gender Gaps in Performance: Evidence from Young Lawyers

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Among previous researches, the relationship between gender gaps in career outcomes and differences in performance has still remained unclear. Ghazala Azmat and Rosa Ferrer (2017) explained this question by finding out the determinants of gender gaps in performance in the legal profession and then showed that gender gaps in performance have great contribution to the gender gaps in lawyer's earnings and subsequent promotion.

To find out objective measures of performance, the authors established their analysis of gender gaps in performance as well as career outcomes basing on the legal profession, since this sector evaluates performance using measures that are transparent and homogeneous. In this paper, they used annual hours billed and the amount of new client revenue brought to the firm as two measures of performance, which is more directly and effectively comparing to previous literatures. Focusing on the legal profession, the data source of this research is from After the JD, a nationally representative, longitudinal survey of lawyers in the United States.

After collecting the data of annual hours billed and the amount of new client revenue brought to the firm of both females and males, the authors first demonstrated that controlling for detailed individual and firm characteristics does not help explain the gap in performance. Then, they investigated three main hypotheses for why female lawyers may not be billing as many hours or raising as much new client revenue as male lawyers, focusing on employer discrimination, the presence of children, and career concerns. According to these hypotheses, the authors applied econometric method including OLS regressions to test how these factors contribute to the gender gaps in performance. They found that employer discrimination does not help explain the gender gap in performance, however, the presence of children leads to fewer billing hours in female rather than male lawyers, while the career aspirations play an important role in explaining the gender differences in client revenue. Other possible explanations like overbilling, networking and working weekends may be important, but contribute very little to explaining performance gaps.

The next step of this paper is to analyze how these differences link to differences

in earnings and promotions. The authors found the relationship by comparing the analyses with and without controlling for performance measures. They demonstrated that the coefficient of gender variable turns out to be not significant after controlling the performance, which also shows that performance measures of earnings and new client revenue help explain nearly half of the gender gap in career outcomes.

In summary, the research aimed to find out whether the gender gaps in performance among high-skilled legal professionals have important consequences for gender gaps in earnings and promotions. The authors tested three hypotheses and found that instead of workplace discrimination, the presence of children and career aspirations contribute significantly to the difference of performance. Then they demonstrated that performance gaps explain much of the gaps in career outcomes. They also further implicated that the inequalities in earnings and career outcomes based on gender gaps will unlikely decrease in the future, since the performance measure gaps significantly contribute to the career outcomes gaps, so that high-skilled workers will always get higher earnings and promotions basing on their better performance.

Furthermore, there may exist some possible limitations in this paper. First, to consider deeper in analyzing the factors career aspiration and children, we can analyze the intersection of these two factors, since the presence of children can also affect one's career aspiration. Thus, we can add (Children * aspirations) into the model to analyze the mutual effect of these two factors.

Secondly, the data source can be improved in collecting the career aspirations, since the survey taken by interviewees is subjective to some extent. The researcher can add more specific questions instead of simply scoring, for example, investigators can ask them to explain their career goal and expected career path. Moreover, collecting their speed of promotion (time period of promotions) can be a more scientific way to evaluate their aspirations.

Last but not least, the paper suggests that the results can also provide a possible explanation for the overall male-female wage gap for a broader set of professionals and skills. I think the factors to explain gender gaps in different professionals are quite different. Other sectors may have quite different evaluation system of performance, instead of clear new client revenue and billing hours in legal professions, so we may need to construct a more general model that is applicable to general professionals and skills.