

# Age and Gender Difference in Quitting and Its Rewards

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## **Abstract**

The article uses data from Russia's Longitudinal Monitoring Survey to consider age and sex differences in the probability and consequences of quitting. It finds that quit rates between young men and women similar, but that gender differences among older workers emerge. When several personal and job characteristics are held constant, the likelihood of quitting for young men and women are about the same, suggesting gender differences can be explained by early career sorting. When controlling for individual heterogeneity (through the use of fixed effects estimation), I find that, for all age and sex groups, quitting does not improve wages. However, promotions contain a significant earnings premium, at least in the short term. Results help to understand inequality on wages and conditions that occur due to sorting, and the acquisition of life chances, like promotions.

## **Introduction**

Studies of the gender pay gap often cite differences in early career job mobility as an important predictor (Blau and Kahn 1981).

## **Job matching and Job searching theories**

Job mobility is primarily motivated by two theoretical frameworks, the *job-searching* approach and the *job-matching* approach. Both suggest that unfavourable working environments, from either inadequate pay or inadequate conditions, push workers to search for new positions either to improve their wages and the match between their skills and their environment at work (Kalleberg and Mastekaasa 2001; Gesthuizen and Dagevos 2008). The *job matching* approach considers the *Reservation Wage*, or the minimum wage a worker will consider before moving to a new position, given her skill set. *Reservation wage X* drives employers out of

unemployment, by capturing the minimum wage that workers will accept before taking a job. *Reservation wage*  $Y$  where ( $X < Y$ ) drives employees to new positions either within or between employers, by capturing the minimum wage that a worker will accept before changing changing positions. If a previously unemployed worker accepts *Wage*  $X$  that is below *Wage*  $Y$ , she is assumed to continue job searching on-the-job (Schmelzer 2010; Burdett 1978).

## Methodology

This article uses five rounds of Russia’s Longitudinal Monitoring Survey (Rounds 20-24), a representative and longitudinal dataset of Russia’s population (Kozyreva, Kosolapov, and Popkin 2016). We focus only on those who are in employment and

## Results

Table one considers gender differences in mobility and earnings, focusing on observations rather than individuals. Overall, respondents are largely immobile although men (76 per cent) appear slightly less likely to list an observation without mobility when compared to women (81 per cent). Both men and women (4 per cent) are equally likely to list a promotion in a given year. However, promotions are generally uncommon. Respondents are much more likely to list exiting a firm, with men (18 per cent) listing more exits than women (12 per cent).

Thinking about earnings, there is an difference between men and women, with immobile observations for men (24,000+ rubles) being higher than immobile observations for women (16,000+ rubles). However, between each group, there appears to be a premium tied to promotion, and a penalty tied to Exit.

Table 1: Mobility and earnings, by gender

Mobility	Observations	Wage	Percent
<b>Male</b>			
Same	16,242	24,399.97	76.29
Promotion	928	33,704.99	4.36
Lateral	265	25,106.40	1.24
Exit	3,854	22,757.69	18.10
<b>Female</b>			
Same	19,325	16,651.06	81.44
Promotion	1,050	23,891.71	4.42
Lateral	288	17,282.44	1.21
Exit	3,066	16,949.16	12.92

Table 2 considers the age differences in these rates. We see that younger groups are more mobile than older groups for both genders, with a seemingly steady increase between respondents aged 0-35, 36-55, and those aged over 55. Young men are still more mobile than young women, but the likelihood of mobility decreases among older respondents.

Table 2: Mobility, by age and gender

Mobility	Observations	Percent
<b>Male Aged 0-35</b>		
Same	6,192	67.78
Promotion	618	6.77
Lateral	136	1.49
Exit	2,189	23.96
<b>Male 36-55</b>		
Same	7,718	80.87
Promotion	286	3.00
Lateral	110	1.15
Exit	1,430	14.98
<b>Male 56+</b>		
Same	2,332	89.35
Promotion	24	0.92
Lateral	19	0.73
Exit	235	9.00
<b>Female Aged 0-35</b>		
Same	6,510	73.53
Promotion	599	6.77
Lateral	131	1.48
Exit	1,613	18.22
<b>Female Aged 36-55</b>		
Same	9,981	84.33
Promotion	431	3.64
Lateral	132	1.12
Exit	1,291	10.91
<b>Female Aged 56+</b>		
Same	2,834	93.19
Promotion	20	0.66
Lateral	25	0.82
Exit	162	5.33

## binomial regression

this section considers the likelihood of experiencing a mobility event.

```
## # weights: 20 (12 variable)
```

```
## initial value 60299.645826
```

```
## iter 10 value 33967.480085
```

```

## iter 20 value 30582.136505
## iter 30 value 27988.017257
## iter 40 value 27941.023480
## iter 50 value 27939.453828
## final value 27939.451035
## converged

## Call:
## multinom(formula = mob_final ~ age + gender + hours, data = ru2)
##
## Coefficients:
##           (Intercept)           age genderFemale           hours
## Promotion -0.6868380 -0.05850443  0.01777646  2.454181e-09
## Lateral   -3.0972187 -0.02543903 -0.07236136 -8.503213e-08
## Exit       0.2624208 -0.04430812 -0.36488346 -2.142139e-09
##
## Std. Errors:
##           (Intercept)           age genderFemale           hours
## Promotion 1.038315e-16 2.529854e-15 4.668343e-17 5.217708e-09
## Lateral   8.997938e-15 3.595071e-13 2.853201e-15 7.149784e-07
## Exit      3.138386e-16 7.512102e-15 1.237330e-16 3.460411e-09
##
## Residual Deviance: 55878.9
## AIC: 55902.9

##           (Intercept)           age genderFemale           hours
## Promotion -0.6868380 -0.05850443  0.01777646  2.454181e-09
## Lateral   -3.0972187 -0.02543903 -0.07236136 -8.503213e-08
## Exit       0.2624208 -0.04430812 -0.36488346 -2.142139e-09

```

## R Markdown

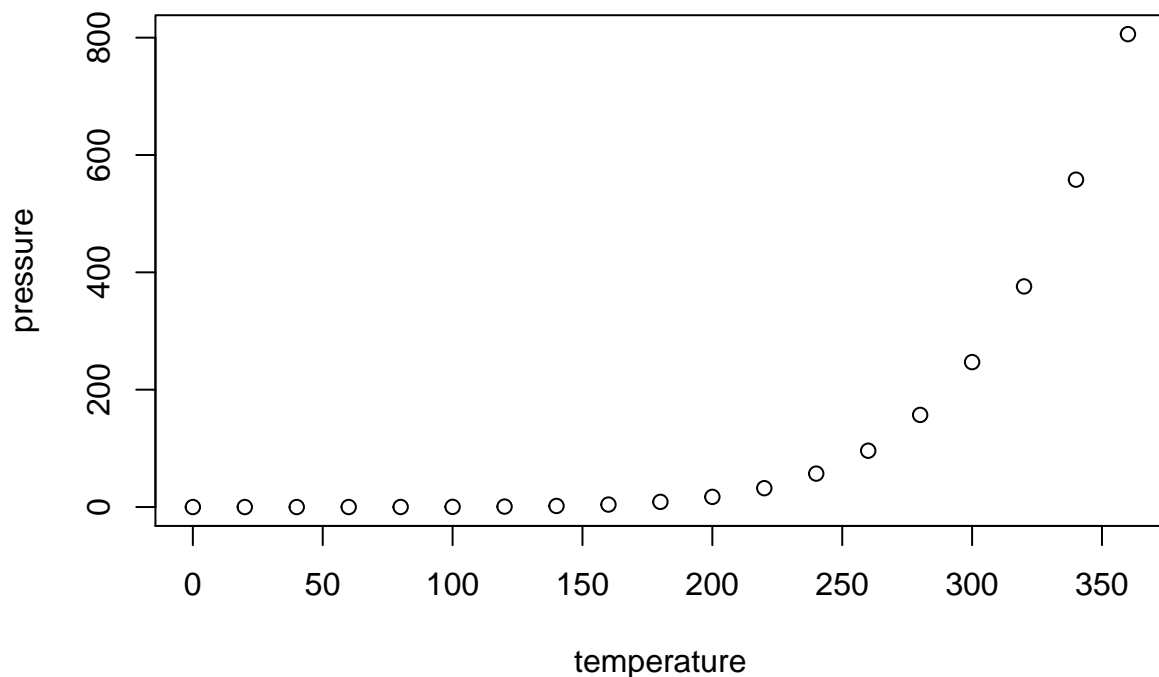
This is an R Markdown document. Markdown is a simple formatting syntax for authoring HTML, PDF, and MS Word documents. For more details on using R Markdown see <http://rmarkdown.rstudio.com>.

When you click the **Knit** button a document will be generated that includes both content as well as the output of any embedded R code chunks within the document. You can embed an R code chunk like this:

```
##      speed      dist
##  Min.   : 4.0   Min.    :  2.00
## 1st Qu.:12.0   1st Qu.: 26.00
##  Median :15.0   Median : 36.00
##   Mean  :15.4   Mean    : 42.98
## 3rd Qu.:19.0   3rd Qu.: 56.00
##   Max.  :25.0   Max.    :120.00
```

## Including Plots

You can also embed plots, for example:



Note that the `echo = FALSE` parameter was added to the code chunk to prevent printing of the R code that generated the plot.

## References

- Blau, Francine D, and Lawrence M Kahn. 1981. "Race and Sex Differences in Quits by Young Workers." *ILR Review* 34 (4): 563–77.
- Burdett, Kenneth. 1978. "A Theory of Employee Job Search and Quit Rates." *The American Economic Review*, 212–20.
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- Kalleberg, Arne L, and Arne Mastekaasa. 2001. "Satisfied Movers, Committed Stayers: The Impact of Job Mobility on Work Attitudes in Norway." *Work and Occupations* 28 (2): 183–209.
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- Schmelzer, Paul. 2010. "The Consequences of Job Mobility for Future Earnings in Early Working Life in Germany—Placing Indirect and Direct Job Mobility into Institutional Context." *European Sociological Review* 28 (1): 82–95.