

Age and Gender Differences in Russia's Job Mobility and Its Rewards

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Abstract

The article uses data from Russia's Longitudinal Monitoring Survey to consider age and gender differences in the probability and consequences of quits and promotions. Russia's relatively liberalised labour market has allowed workers to move more often, whether this mobility has any immediate effect on worker's wages, and the gender gaps in these wages has not been explored. Results show that mobility rates are particularly high for young respondents, and that gender differences in quits and promotions only exist in these early stages of a person's career. Specifically, when several personal and job characteristics are held constant, instances of promotion are higher for men than they are for women. Further, even among 18-35 year olds, promotions are less likely among older respondents (closer to 35) than they are among younger respondents. Regarding firm exits or quits, women have a lower chance of experiencing the change when compared to men, again even after several personal characteristics are controlled for. Here too, age differences suggest that younger respondents are more likely to experience exit than older respondents, even within groups of respondents aged 18-35. When controlling for individual heterogeneity (through the use of fixed effects estimation), quitting does not improve current wages although promotions contain significant wage premiums, at least in the short term. Results help to understand inequality in wages and conditions that occur due to sorting, and the importance of promotions (internal job changes with the same employer) as "life chances" which improves earnings in the immediate sense. Gender differences in securing these life chances may help to understand wider gender gaps, which emerge later.

Introduction

Russia's relatively liberalised economy has given workers more employment options and a wider spectrum of potential wages [imfreport]. In this way workers are better able to correct mismatches of working conditions

and wages if they feel they are entitled to more from work (???; ???). Theoretically these changes are tied to job mobility through either *job searching* or *job matching processes*. Yet despite this liberalisation, mobility rates in Russia are currently lower than they were in the Soviet Union as recorded by the IMF.

Review

Job searching and Job matching

Two theoretical approaches make predictions about job mobility, these are the *job-searching* and *job-matching* approaches. Both suggest that poor work environments, either from inadequate pay or inadequate conditions, push workers to search for new positions (Kalleberg and Mastekaasa 2001; Gesthuizen and Dagevos 2008). The *job searching* 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 firms, by capturing the minimum wage that a worker will accept before changing positions. If a previously unemployed worker accepts *Wage X* that is below *Wage Y*, they are assumed to continue job searching until they find their reservation wage (Schmelzer 2010; Burdett 1978).

The *job-matching* approach is one where workers take time to evaluate whether their skills are a good fit for their tasks at work. Since work is an experience good, workers must try several jobs before finding a match. The large rates of mobility that workers see in the early stages of their career, is their navigation of the labour market, where individual employers and jobs are compared relative to a workers skills and level of experience (Sørensen 1977; Thurow 1975).

How do the theories above explain the large differences in mobility between workers? Both understand that workers are most mobile in the early stages of their career. However, in the job searching approach, individuals try to secure their reservation wages as they establish themselves in the labour market and gain the experience and networks needed to evaluate new positions. As they gradually close the gap between their given wage and their reservation wage, they become less mobile (Sørensen 1977, 1975; Kalleberg and Sørensen 1979). The job-matching approach is slightly different in that it does not expect a wage premium tied to mobility, only that the subjectively evaluated match between a worker and her position should improve with mobility. This approach also anticipates the large rate of mobility in the early stages of a person's career, but in this mechanism workers are "experiencing" the type of work they would like to do. It is possible that this mechanism affects men and women differently, in that men would be more driven by wages, and women be more driven by work life balance, especially if women hold the majority of care responsibilities in the home (Keith and McWilliams 1997).

Gender differences in mobility and its returns

Considering both theories together, neither explicitly notes a gender difference in job mobility. Despite this, authors routinely find this difference (Blau and Kahn 1981; Keith and McWilliams 1995, 1997, 1999). Blau and Duncan (1981) note young women are more likely to quit when compared to men. Keith and McWilliam (1995) note that economic quits happen at a similar rate for men and women, but that family related changes are more common among young women, when compared to young men. They also find that men are more likely to experience job loss, when compared to young women, suggesting that gender differences stem mostly from different types of mobility, rather than a gender difference in wage returns from similar mobility types (Keith and McWilliams 1995, 1999). In short, part of the voluntary job mobility carried out by women is closer tied to job matching than job searching, in this way Keith and McWilliams (1995, 1999) suggest women find positions where they are better able to combine family roles and work. Gesthuizen finds some evidence to support this, reporting that dissatisfaction with the job match and dissatisfaction with hours increases women's chances of voluntary mobility to a new employer. This effect does not emerge for men. Further, subjective dissatisfaction with wages also pushes women to inter-firm mobility, but not men, which would support the job searching hypothesis. In discussing the result Gesthuizen [] notes that mobility may be "less costly" for women, in that men are more likely typically "breadwinner" roles, with less room Keith and

McWilliams (1999) also note a gender difference in job searching behaviour, reporting men are more likely to explore new positions than women. Job searching behaviour was particularly important as it brought a significant wage premium for both men and women who engaged in job mobility.

Beyond gender differences in mobility types, mobility may have different effects on men and women. Keith and McWilliams (1999, @keith1995wage, 1997) find no gender difference in the effects of job mobility on wages, assuming the mobility occurs for economic reasons. Further, they find that men and women benefit roughly equally from the interaction between job search and job mobility. Gesthuizen [] also finds no significant difference between men and women in the premium tied to mobility. Cha (2014) notes a significant difference in the effect of mobility on earnings between women with and without children, but one that runs opposite to the described pattern. Women with children see few rewards to mobility when compared to women without children, who experienced significant premiums in earnings. The study doesn't consider men. Kronberg (2013) finds this specific difference, reporting that men gain more from voluntary mobility to a new employer when compared to women, although see a premium also.

Although other authors find no gender differences between men and women in the wage effects of "economic quits" between young men and women in the early stages of their career (Keith and McWilliams 1995). This suggests that the wage or conditions premium described above applies more often to men than to women, even when removing gender differences in types of mobility. Some authors argue that the lack of a gender

Russia's labour market, as a case

Russia's fast transition to a post-soviet economy had positive and negative effects on gender differences in its labour market. Although transition increased women's participation and employment, it also increased levels variation in women's job quality (Gerber and Mayorova 2006). Given the pace of market transition, this increased variation did not stem from a decline in human capital, but the "*introduction of market institutions*" (Gerber and Mayorova 2006). Since the liberalisation of the labour market, authors have argued. Despite the theories above, Russian levels of job mobility actually fell in the 1990's, to levels below that of 1980's soviet job mobility, at least in measures of inter-firm mobility (voluntary quits to new employers).

Methodology

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

Results

This section is split into three parts. First, I present gender differences in mobility, and the wages tied to certain mobility responses. Second, I explore gender differences in mobility using multinomial logistic regression. Finally, we explore the effects of mobility on earnings using fixed-effects linear regression.

Descriptive statistics

Figure 1 considers gender differences in mobility types focusing on observations rather than individuals. Overall, respondents are largely immobile although women (0.814) are less mobile compared to men (0.762). Both men and women (0.044) are equally likely to list a promotion in a given year, although promotions are uncommon in general. Respondents are much more likely to list exiting a firm, with men (0.182) listing more exits than women (0.130). Lateral changes within the firm are the least common and do not appear to have a gender difference. Considering the confidence intervals in Figure 1, it seems gender differences are most prominent in terms of firm exits. Unfortunately we are not able to discern voluntary from involuntary exits, which are particularly important for discussions of reservation wages. However, this category, along with promotions, likely contains the job mobility which is driven by reservation wages.

Figure 2 considers the age differences tied to the changes in Figure 1. We note that younger respondents are more likely to experience promotions and exits. Both of these measures gradually decline as we consider

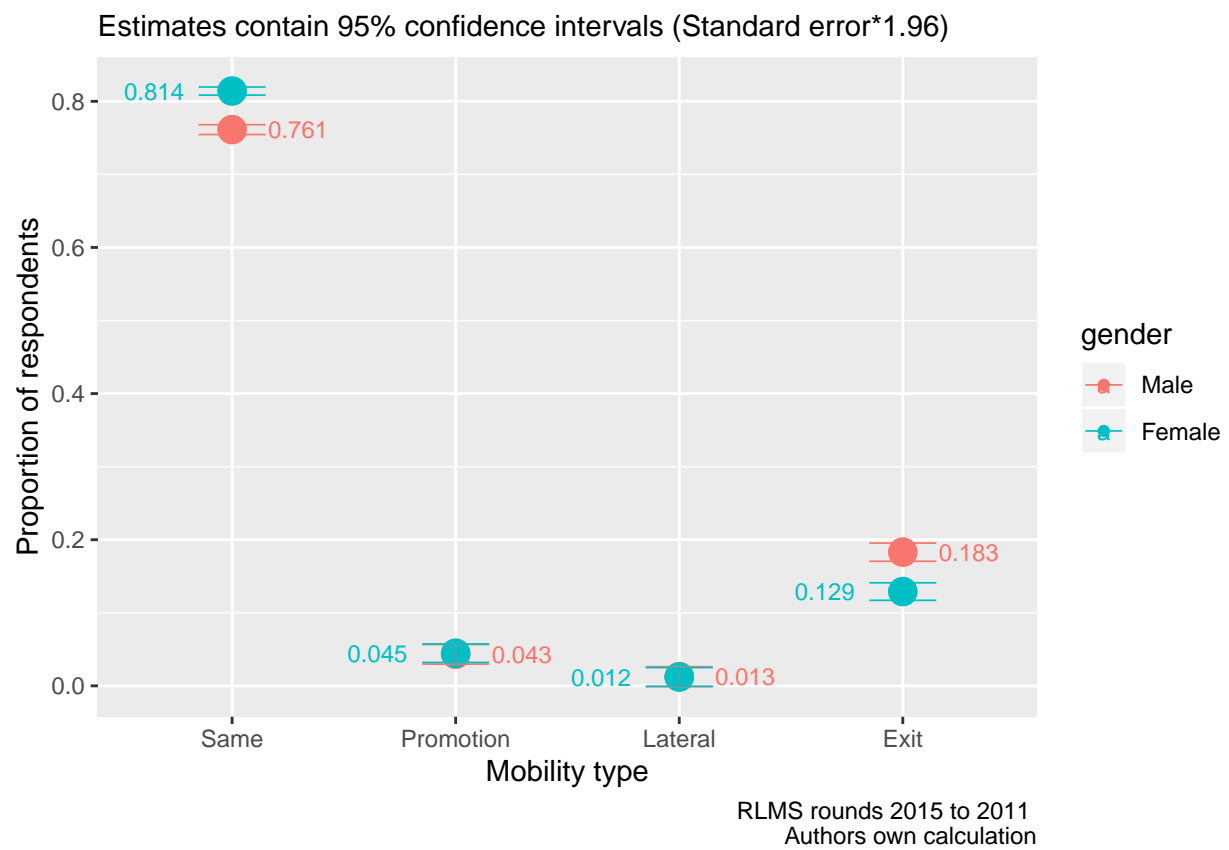


Figure 1: Proportion of respondents citing mobility type by gender

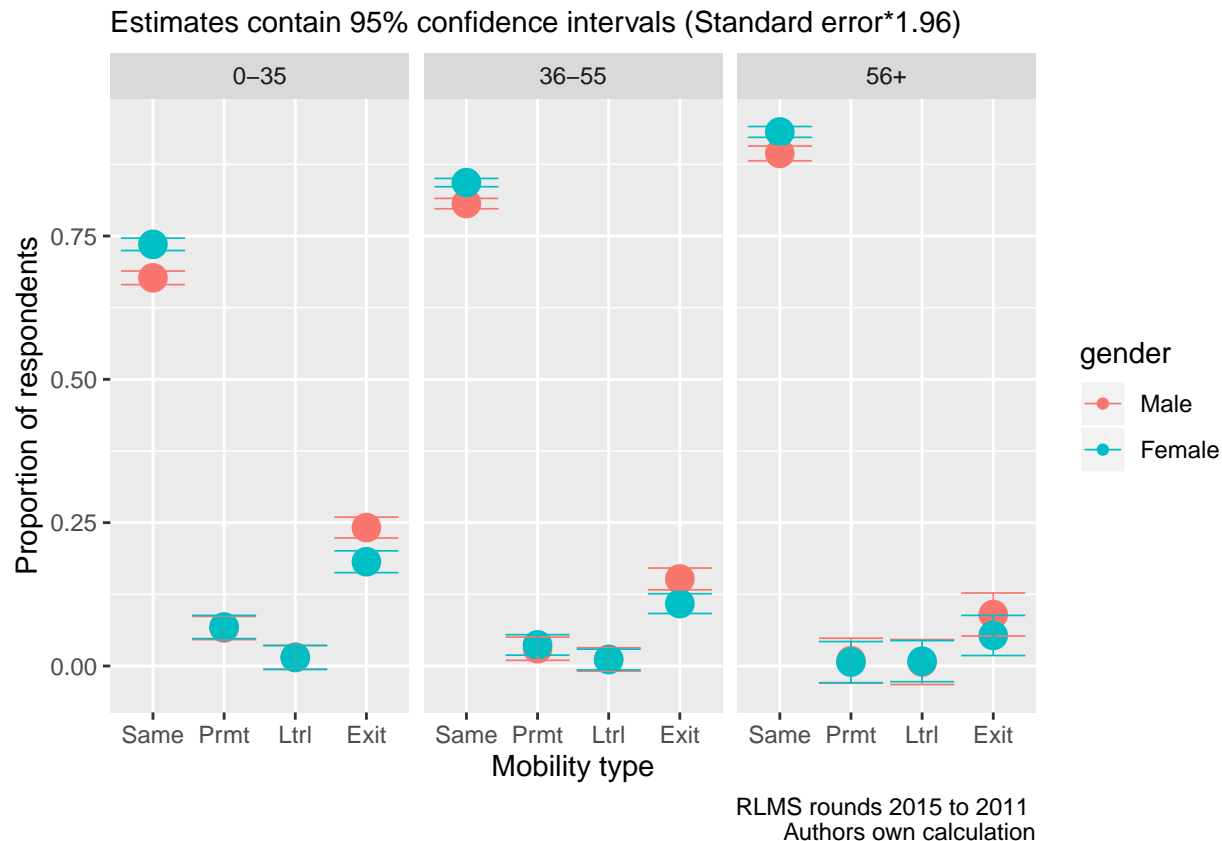


Figure 2: Age and gender differences in mobility

older groups. Notably, gender differences in quits dissapear for older respondents, but remain for younger respondents. This effect stems from the sharp decline in men’s likelihood of quitting.

Generally, there is a gender and age effect tied job mobility, with younger workers being more mobile than older workers, and younger men being more mobile than younger women. We now turn to the wage differences between these groups. Importantly, we will not consider the effect of promotion or exit on wages, focusing instead on the average wage associated with a given gender and a given mobility type.

Figure 4 captures thre eimportant differences. First, there is a gender difference tied to pay, with men earning more than women in each mobility cateogry. Second, there is a bility difference in pay, with respondents who experience a promotion in the survey year citing significantly more in terms of average earnings, compared to respondents citing a different mobility type in a given survey year. Third, there is a pay penatly among respondents who cite employment exit, but this difference is only significant for men. This effect likely stems from women’s pay reaching a “floor”. We consider the age differences in this effect below.

Thinking of the patterns in Figure 4, respondents appear to gain the most from mobility aged 36-55, although the premium only appears to apply to men. Surprisingly, older groups report the lowest income and also the lowest return on mobility. Older women appear to make significant gainst when citing promotion, however the large confidence intervals suggest this premium is not significantly different from other age groups.

Multinomial logistic regression

We now consider some explanatory measures tied tojob mobility differences.

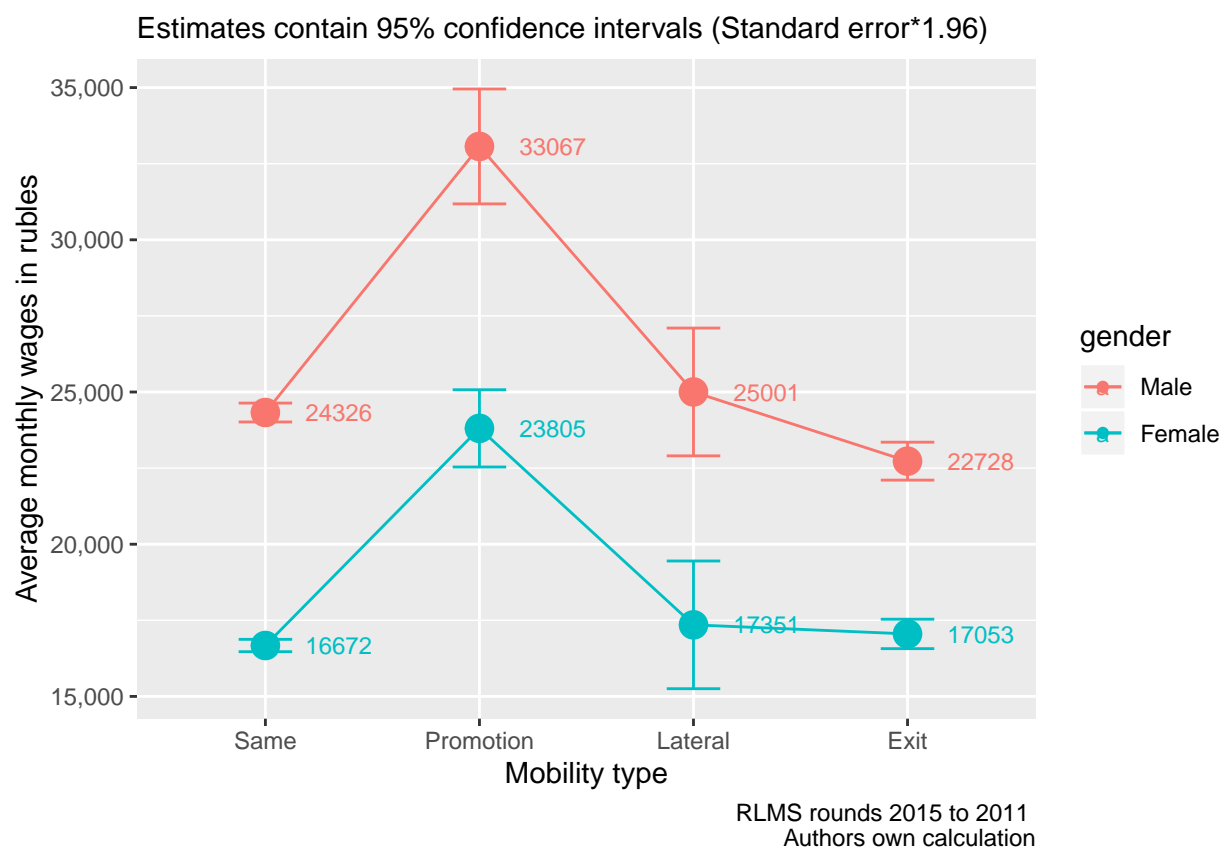


Figure 3: Wage differences between gender and mobility groups

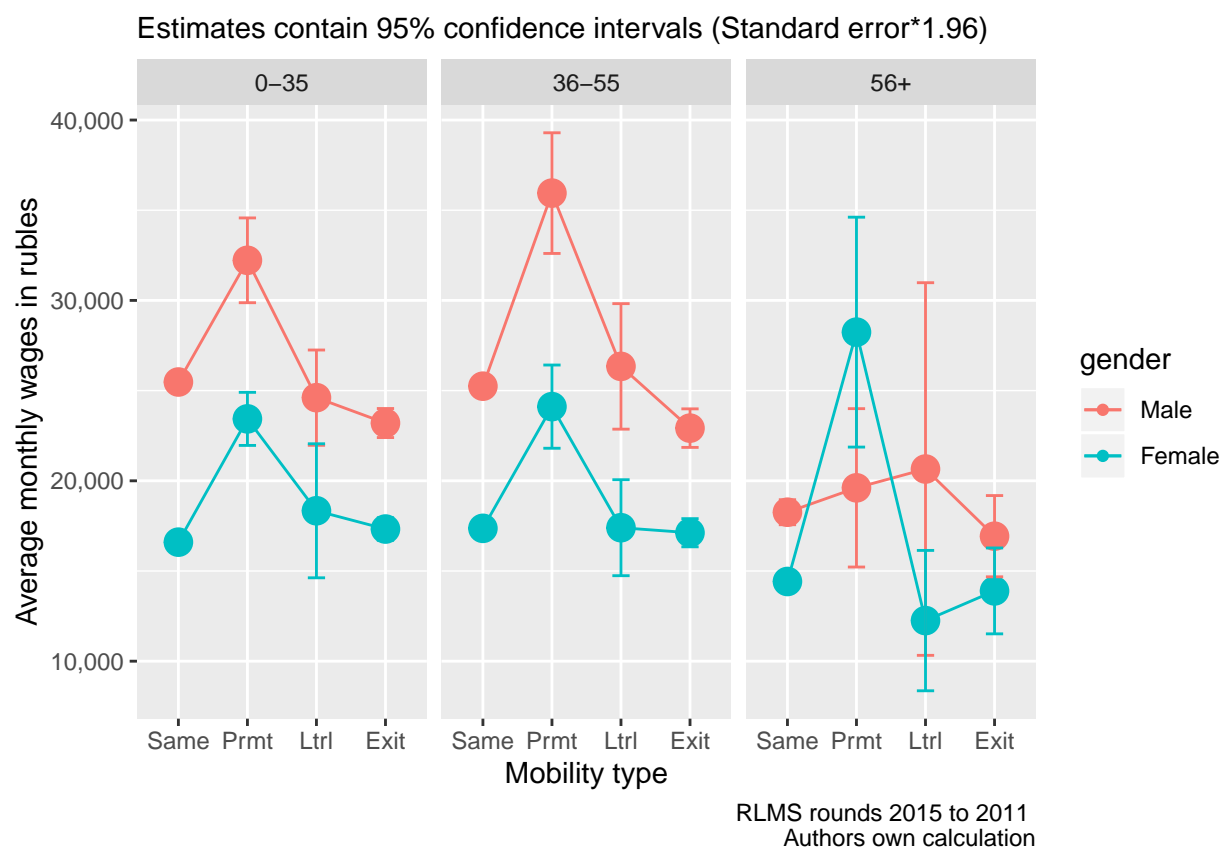


Figure 4: Wage differences between age, gender, and mobility groups

```
## # weights: 56 (39 variable)
## initial value 24194.995485
## iter 10 value 15198.413660
## iter 20 value 12825.827925
## iter 30 value 11033.381264
## iter 40 value 9364.747182
## iter 50 value 8745.453097
## iter 60 value 8688.474393
## iter 70 value 8688.462885
## final value 8688.462498
## converged
```

```
## # weights: 56 (39 variable)
## initial value 28504.984653
## iter 10 value 10406.909361
## iter 20 value 9346.944671
## iter 30 value 8638.267319
## iter 40 value 8280.466393
## iter 50 value 8062.223475
## iter 60 value 8062.076532
## final value 8062.075135
## converged
```


term	Age 18-35				Age 36-55			
	estimate	std.error	p.value	signif	estimate	std.error	p.value	signif
Promotion								
(Intercept)	2.325	0.276	0.002	**	1.546	0.324	0.179	
genderFemale	0.811	0.069	0.003	**	1.099	0.090	0.292	
age	0.940	0.009	0.000	***	0.945	0.007	0.000	***
tenure	0.953	0.011	0.000	***	0.976	0.005	0.000	***
Lateral change								
superNo	0.224	0.071	0.000	***	0.250	0.092	0.000	***
factor(isco08)2	1.284	0.131	0.056	.	1.379	0.130	0.013	*
factor(isco08)3	1.224	0.125	0.107		1.086	0.128	0.518	
factor(isco08)4	0.875	0.175	0.446		0.630	0.240	0.054	.
Exit								
factor(isco08)5	0.811	0.144	0.147		0.682	0.171	0.025	*
factor(isco08)6	0.000	0.000	0.000	***	1.102	0.530	0.855	
factor(isco08)7	0.552	0.168	0.000	***	0.473	0.225	0.001	***
factor(isco08)8	0.514	0.171	0.000	***	0.688	0.184	0.042	*
factor(isco08)9	0.217	0.317	0.000	***	0.420	0.289	0.003	**
(Intercept)	0.032	0.664	0.000	***	0.006	0.677	0.000	***
genderFemale	0.901	0.147	0.478		0.916	0.160	0.584	
age	0.973	0.017	0.110		0.994	0.012	0.590	
tenure	0.952	0.022	0.024	*	0.997	0.008	0.701	
superNo	0.835	0.180	0.317		0.925	0.182	0.669	
factor(isco08)2	2.314	0.490	0.087	.	3.715	0.489	0.007	**
factor(isco08)3	2.190	0.483	0.104		3.853	0.482	0.005	**
factor(isco08)4	2.706	0.521	0.056	.	5.043	0.531	0.002	**
factor(isco08)5	1.949	0.498	0.180		3.009	0.507	0.030	*
factor(isco08)6	0.000	0.000	0.000	***	0.000	0.000	0.000	***
factor(isco08)7	2.072	0.509	0.152		4.766	0.504	0.002	**
factor(isco08)8	2.702	0.500	0.047	*	2.958	0.508	0.033	*
factor(isco08)9	1.114	0.595	0.856		5.370	0.516	0.001	**
(Intercept)	4.592	0.258	0.000	***	2.539	0.239	0.000	***
genderFemale	0.727	0.069	0.000	***	0.837	0.066	0.007	**
age	1.014	0.007	0.034	*	0.989	0.005	0.025	*
tenure	0.096	0.045	0.000	***	0.383	0.022	0.000	***
superNo	0.887	0.094	0.201		1.132	0.090	0.165	
factor(isco08)2	0.771	0.190	0.172		1.119	0.152	0.460	
factor(isco08)3	0.998	0.181	0.992		1.136	0.143	0.374	
factor(isco08)4	0.884	0.204	0.544		1.191	0.177	0.322	
factor(isco08)5	0.939	0.188	0.739		1.101	0.149	0.518	
factor(isco08)6	0.470	0.720	0.294		0.488	0.696	0.303	
factor(isco08)7	0.962	0.195	0.844		1.126	0.160	0.457	
factor(isco08)8	0.817	0.194	0.298		1.080	0.154	0.617	
factor(isco08)9	0.883	0.205	0.546		1.032	0.158	0.844	

¹ RLMS rounds 20-25. Model considers all respondents together

² *** p < 0.001, ** p < 0.01, * p < 0.05, . p < 0.1

Fixed effects estimation

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