

## **Reading note for “Gender Gaps in Performance: Evidence from Young Lawyers”**

Justin Jia

### **Summary**

This paper documents evidence of gender gaps in performance in legal profession and explores several sources of these gender gaps. First, the authors find that young female lawyers perform worse than young male lawyers in hours billed and new client revenue. Next, the authors find that female lawyers' children care responsibilities explain their fewer amounts of hours billed and female lawyers' lower aspirations explain their lower level of new client revenue. Through the above analysis, the authors corroborate one traditional explanation and find another new source of gender gaps in performance. To further investigate the consequences of gender gaps in performance, the authors analyze the role of performance in earning and promotion, and they find that gender gaps in performance explain considerable amount of gender gaps in earnings and promotion.

### **Motivation and theoretical foundation**

This paper is motivated by an observation of gender gaps in earnings and career advancement among high-skilled professionals and tries to answer the question why career-driven women are treated unequally in earnings and promotion. This research idea comes from critical practices, but this paper is in lack of theoretical background especially for the association between aspirations and performances. Even though the authors cite theory literature in career concern to argue that agents with stronger aspirations contribute more efforts, they fail to explain why cognitive aspirations bring new client revenue rather than hours billed to lawyers. Since the association between career aspirations and performance is the most innovative finding in this paper, the authors may need to elaborate the specific cognitive skills that lawyers need as well as the different roles these skills play in bring new client and working efficiently.

### **Data, empirical strategy, and findings**

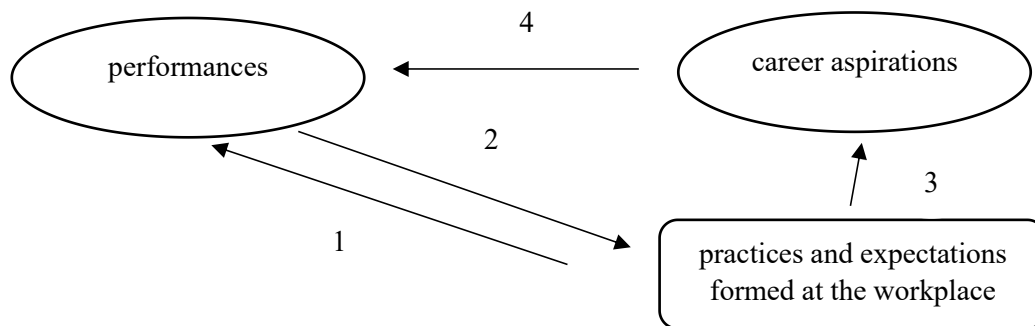
The determinants of gender gaps in performance are carefully explored using survey data from After JD study. The authors draw sample from this survey because performance measures in legal profession are transparent and homogenous across firms.

In the main analysis, the authors implement several econometric techniques such as panel regression and quantile regression. They first use panel regression to demonstrate that gender gaps in hours billed and new client revenue cannot be fully explained by detailed individual characteristics such as age, ethnicity, tenure, area of specialization, and educational background as well as firm characteristics such as size. Next, the authors investigate the left unexplained gender difference in performance and try to test two traditional hypotheses: discrimination and child rearing.

For discrimination hypothesis, the authors use self-reported discrimination and several constructs of discrimination from different sources: partner (not enough assignment, discounted hours), mentor (favoritism toward male), and client (interaction through tasks), and find that discrimination controls do not help explain gender gaps in performance. For child rearing hypothesis, the authors find that young children help explain gender gaps in hours billed and female lawyers with young children bill 200 fewer hours per year. This result may suffer from fertility selection problem. Specifically, unproductive women are more likely to select to have children,

and women are more likely to select to have children at unproductive moment. Following strategy from Bertrand et al. (2010), the authors find no cross-section selection in woman's productivity using pre-labor information which is exogenous from fertility decision, and no timing selection in women's productivity before pregnancy.

In addition to the above two traditional hypotheses, the authors test other hypotheses and find that aspirations explain gender gaps in new client revenue while willingness to overbill and networking behavior do not explain gender gaps. For career aspirations hypothesis, the conclusion may suffer from endogeneity issue. To be specific, career aspiration and performances may be codetermined by variables in workplace. Lawyers' performances may be influenced by discrimination practices (channel 1), and lawyers receive feedbacks about their performances from partners (channel 2). These discrimination practices and feedbacks at the workplace may also affect lawyers' expectation and consequently change their career aspirations (channel 3). To alleviate endogeneity concern and identify the association between young lawyers' cognitive career aspirations and performances (channel 4), the authors conduct two analysis using discrimination controls and predetermined aspirations which is not influenced by partner's feedback.



In further analysis, the authors find strong relationship between two performance measures and earnings and promotion, and they argue that hours billed is a more precise measure of performance than hours worked.

### Concluding remark and limitations

This paper uses panel regressions and quantile regressions to analyze determinants of gender gaps in performance. Compared with standard empirical techniques, the data source of this paper is surprising and innovative. Using original dataset, the authors construct detailed measures of discrimination, child rearing, and career aspiration in legal profession.

However, this research is limited in both external and internal validity. For external validity, the authors should not infer the determinants of gender gaps in performance in high-skilled professions only using data from legal profession, since child rearing and career concern may not play equally important roles in performance in other professions. For instance, compared with ability, career aspiration may not be key determinant for physicians. For internal validity, the authors need to carefully choose questionnaire when using survey data. Using response to "How strongly do you aspire to attain an equity partner position within your firm?" is unconvincing since respondents may switch firms, and thus answer to this question cannot measure respondents' aspiration precisely. In a word, it is acceptable to use survey data in legal profession considering the data availability, but the author should not apply the results to other professions.