

# Can Outlawing Stated Gender Preferences Reduce Occupational Segregation?

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## EXTENDED ABSTRACT

Many policies aim at eliminating gender discrimination in labor markets. Even though the final decision in the hiring process is at the discretion of the employer, lawmakers strove to influence this choice by trying to give the same chances to be hired to all workers. To this extent, anti-discriminatory laws abolishing the possibility of posting job advertisements targeting a particular gender were implemented in many developed countries (US Civil Rights Act, 1964; EU Directive on equal treatment in access to employment, 2002).

In this paper, we take advantage of the Austrian Equal Treatment Act (AETA) that abolished stating gender preference to understand its role in recruiting and discrimination. We use data from the Austrian Public Employment System (AMS), which allows recruiters to announce job advertisements stating the desired gender of the candidate. By analyzing vacancy duration, number of vacancy posted, job stability and hirings, we study how stated gender preference affects the outcome of the recruiting process and contribute to job segregation and gender discrimination in the labor market.

Since 1987 AMS provides public and private job entities with a recruiting platform where they can post job advertisements specifying characteristics of the open position as well as requirements that the ideal worker should satisfy. Among others, employers can openly or implicitly specify the desired gender of the candidate: about 59% of firms, and 36% of recruiters posted gender profiling job advertisements in 1999. In 1998, eJob-Room of the AMS became the Austria's biggest on-line employment marketplace. Following the 2002 EU directive on equal treatments in access to employment, in June 2004, Austrian government passes AETA stating that recruiters "*may not advertise a position publicly or within an enterprise (company) exclusively for men or women*", and that the job advertisements may not contain any reference from which it could be inferred that members of one sex would be favored. The share of advertisements stating the preferred gender of the candidate plunged from 35% of 2004 to 8% in 2006 and 1% in 2008.

The AMS vacancy database contains the universe of job advertisements registered at the AMS from 1987 to 2014, tracked monthly. We match the vacancy database with the Austrian Social Security Database (ASSD, Zweimüller *et al.*, 2009) using the identification number of each worker hired through the AMS. Analyzing vacancies posted during the five years before the AETA, we document three facts. A remarkable heterogeneity in the

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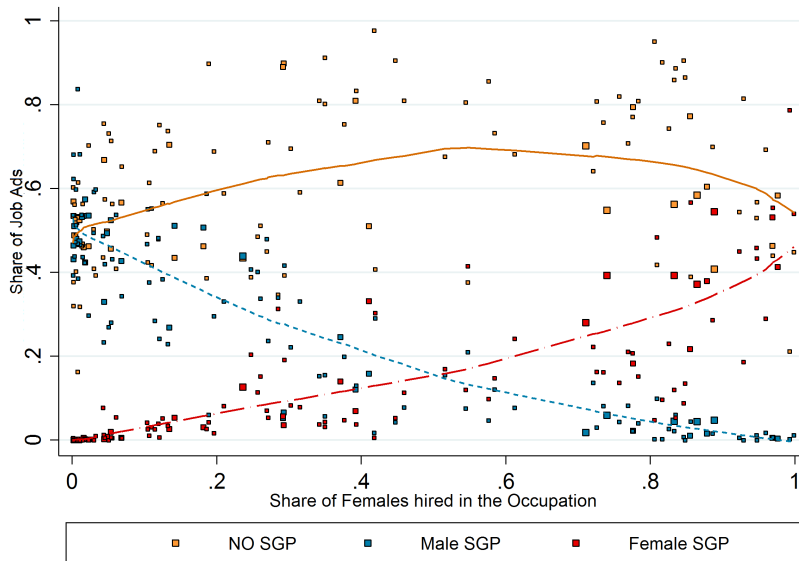
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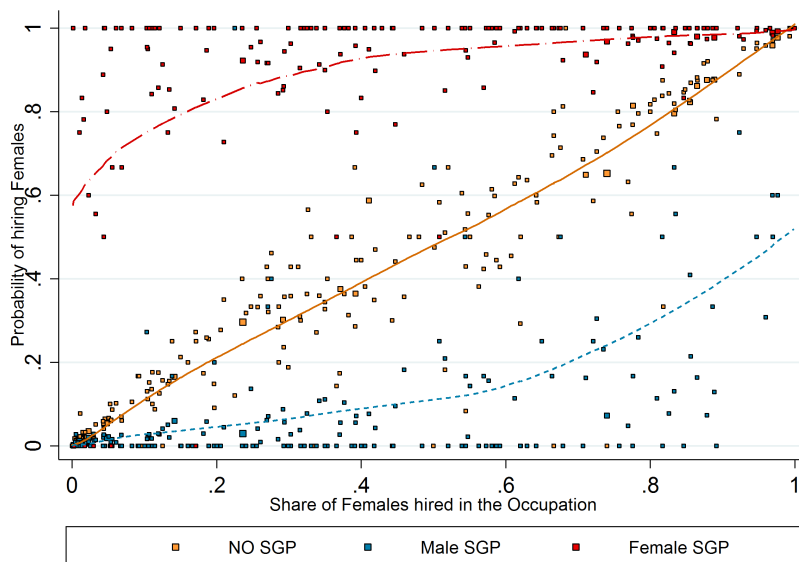
preferred gender by occupations: jobs stating a preference for females are in “female” occupations, while jobs stating a preference for males are in “male” occupations (Figure 1a). A very high compliance rate: when a gender preference is stated and a vacancy is filled, the gender of the new hire usually (97%) match (96% for women and 98% for men), nearly independently of the occupation (Figure 1b). A negative education gender targeting relationship: share of preferred gender stating job advertisements sharply decreases as the level of education required increases. This is consistent with the negative skill-targeting relationship found by Kuhn and Shen (2013) in China: they present robust evidence of a negative relation between the gender requested and education, experience and advertised wage.

Figure 1: SGP and Compliance Rates

(a) Share of Job Ads by Gender Preference

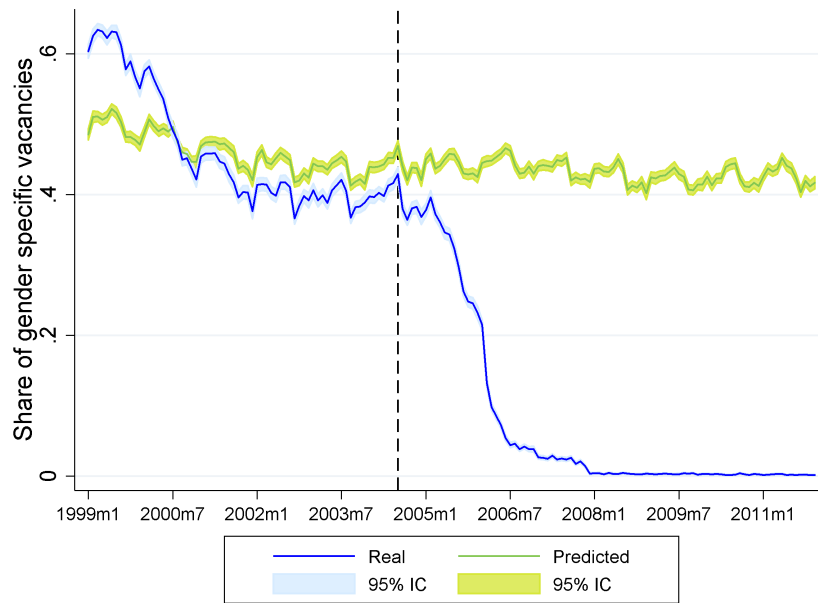


(b) Share of Women hired by Gender Preference



We study vacancies posted before and after the AETA, which represents a ban on posting positions exclusively for men or women, to evaluate the effect of stated gender preference in job ads on recruiting. The most challenging part consists in constructing a counter-factual for gender specific job advertisements after the ban; we face this issue by mean of out-of-sample prediction. Employing a logistic random effect model, we serve by posterior Bayesian means to build a gender preference index (GPI) representing the likelihood that a vacancy states a preference for one particular gender by using characteristics of the job advertisements. Figure 2 compares the monthly real share of gendered job advertisements and our GPI before and after the implementation ban. We then perform a non-binary-DID regression by comparing different recruiting outcomes among job advertisements with different level of GPI.

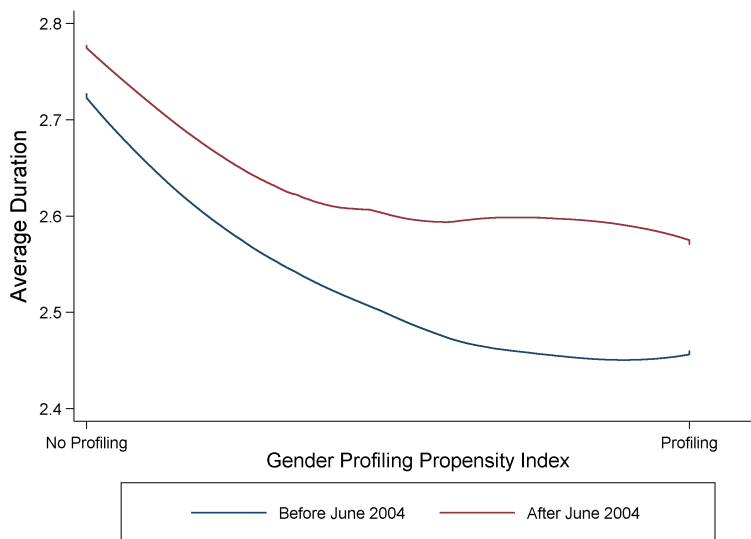
Figure 2: GPI vs Real data



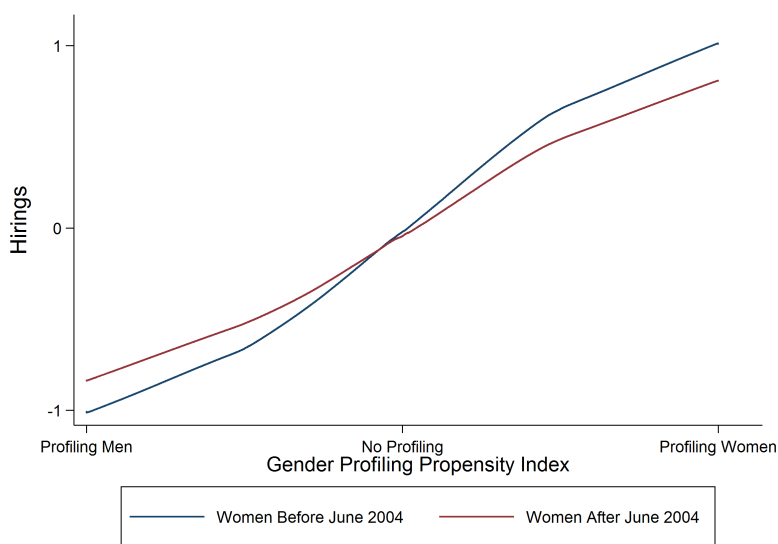
Plot of the share of job vacancies expressing a preference for gender by time, and their predicted value. Predictions constructed using informations on occupation, industry, region, type of employment and firm ID. Data refers to the all the vacancies registered at the AMS from 1999 to 2011 by firms that posted at least a Job Ad before and after the 2004.

Figure 3 reports two preliminary results. Gender profiling vacancies tend to have a lower duration with respect to the non profiling ones, this gap decreases by 30% after the AETA; the change is almost fully due to an increment in duration of the former, rather than a reduction in the duration of the latter. Concerning the pool of new hired, we find that, after the AETA, the share of workers filling a vacancy targeting the opposite gender, according to our prediction index, decreases by almost 20 percentage points. We conclude that stated gender preference lowers recruiting cost for the gender profiling firms and leads to actual gender discrimination.

Figure 3: GPI and Outcomes  
 (a) Average Vacancy Duration by GPI



(b) Share of Women-Men hired by two side GPI



(a) Plot of the Employment Duration against the Propensity Index before and after the ban. (b) Plot of the Hiring Index W-M against the Propensity Index before and after the ban. Predictions constructed using informations on education, type of employment (2 measures) and firm ID.

## REFERENCES

- Kuhn, P. and Shen, K. (2013). Gender discrimination in job ads: Evidence from china. *The Quarterly Journal of Economics*, **128**(1), 287–336.
- Zweimüller, J., Winter-Ebmer, R., Lalive, R., Kuhn, A., Wuellrich, J.-P., Ruf, O., and Büchi, S. (2009). Austrian social security database.