



Gender differences in personality and earnings: Evidence from Russia

Anastasia Semykina *, Susan J. Linz

Department of Economics, Michigan State University, East Lansing, MI 48824, USA

Received 23 April 2005; received in revised form 4 April 2006; accepted 1 May 2006
Available online 17 July 2006

Abstract

Does personality affect earnings? If so, are there gender differences in personality that explain part of the gender wage gap? We use survey data collected from over 2600 Russian employees between 2000 and 2003 to evaluate the impact on earnings of two personality traits: locus of control and challenge-affiliation. We find that gender differences in personality traits are significant. Men are more likely to exhibit an *internal* locus of control and need for *challenge*, while women are more likely to exhibit an *external* locus of control and need for *affiliation*. Moreover, there are differences in the effect of personality on earnings by gender – women's earnings are strongly affected by personality, while the effect of personality on men's earnings is small and not always significant. Among the employees participating in our study, personality traits explain as much as 8% of the gender wage gap.

© 2006 Elsevier B.V. All rights reserved.

JEL classification: P23; J31; J71

PsycINFO classification: 2100; 3600

Keywords: Personality; Locus of control; Earnings; Gender wage gap; Russia

* Corresponding author. Tel.: +1 517 337 0823; fax: +1 517 432 1068.
E-mail address: semykina@msu.edu (A. Semykina).

1. Introduction

Despite high female labor force participation rates, growing skills acquisition among women, and longstanding anti-discriminatory legislation, the causes and consequences of a gender earnings gap continue to play a prominent role in discussions among researchers and policy makers, alike. The issue has been studied in application to many countries, and all researchers find a rather large difference in earnings of men and women (see Blau, 1998; Gunderson, 1989, 1994; Jarrell & Stanley, 2004; Newell & Reilly, 2001; Weichselbaumer & Winter-Ebmer, 2005 for the surveys and recent trends). Wage decomposition analysis performed in these studies shows that part of the earnings gap can be explained by differences in cognitive abilities and observed productivity characteristics, such as work experience and education. However, a significant portion of the earnings gap remains unexplained and is usually attributed to sex discrimination.

An alternative interpretation of the unexplained earnings gap involves a failure to account for noncognitive productivity factors that affect earnings, such as motivation and personality. Linkages between personality traits and labor market performance measures are well-established, whether performance is measured by earnings (Andrisani, 1977, 1981; Bowles, Gintis, & Osborne, 2001a, 2001b; Duncan & Morgan, 1981; Dunifon & Duncan, 1998; Filer, 1981; Goldsmith, Veum, & Darity, 2000; Mueller & Plug, 2004; Nyhus & Pons, 2005; Osborne, 2000; Osborne Groves, 2005), employment (Baum, Fleming, & Reddy, 1986; Goldsmith, Veum, & Darity, 1996), entrepreneurial talent (Hansemark, 2003; Mueller, 2004; Mueller & Thomas, 2000; Thomas & Mueller, 2000), productivity (Barrick & Mount, 1991; Coleman & DeLeire, 2003; Kirkcaldy, Shepard, & Furnham, 2002; Mitchel, Smyser, & Weed, 1975; Salgado, 1997), or promotions (Bowles et al., 2001a; Judge, Higgins, Thoresen, & Barrick, 1999). The two specific personality traits that have consistently been linked to differences in a variety of performance measures are locus of control, and the need for challenge or affiliation. Locus of control (LOC) refers to one's perception of the relationship between one's behavior and its consequences (Rotter, 1966). Individuals who believe that the outcomes they experience are consequences of their own behavior, ability or effort are defined as exhibiting an *internal* LOC. Individuals who exhibit an *external* LOC believe that the outcomes they experience are a function of luck or fate or other factors that are beyond their control or manipulation. According to Rotter (1966), people with *internal* LOC perceive a higher payoff from being active and, hence, exhibit greater initiative. In relation to labor market experiences, personal initiative is associated with hard work and superior performance, which implies that *internal* attitudes must be favored in the labor market. Studies involving individuals in developed market economies tend to support this general proposition, as they find that employees exhibiting an *internal* LOC are more motivated and have better labor market outcomes than those exhibiting an *external* LOC (Andrisani, 1977; Bandura & Cervone, 1983; Baum et al., 1986; Goldsmith et al., 2000; Harter, 1978; Heckhausen, 1991; Skinner, 1996).

Studies that include challenge-affiliation (C-A) tend to include more diverse measures than studies which include locus of control. Challenge and aggression are frequently used interchangeably, as are agreeableness and affiliation. Following Turner and Martinez (1977), Hill et al. (1985), Hofstede (1998), and Osborne (2000), we take the view that *challenge* is associated with "getting ahead," and *affiliation* is associated with "getting along." This literature suggests that individuals with preference for challenge are highly motivated

Download English Version:

<https://daneshyari.com/en/article/885465>

Download Persian Version:

<https://daneshyari.com/article/885465>

[Daneshyari.com](https://daneshyari.com)