## Gender wage differential: a focus on Italian organizations

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The gender wage gap in Italy is persistent (Picchio and Mussida 2014; Piazzalunga and Di Tommaso 2019) and, considering the low and selected participation in the labour market, appears to be much higher than the unadjusted gender wage gap shown by Eurostat data. Women are still strongly underrepresented at the top of the income distribution (Atkinson, Casarico and Voitchovsky 2018). The gender pay gap is a complex issue caused by a combination of interconnected factors such as different allocation of care duties and working time within the household (Del Boca et al. 2020), discontinuous career paths, vertical segregation (sticky floor and glass ceiling), contract types, etc. Discontinuous working profiles are related to the unequal distribution of care work and responsibilities within the couple. Women still bear a higher load of care work and are more likely to interrupt their working profile or reduce the effort in the presence of children. Lower wages have also been associated with other pre-labour market choices the horizontal segregation in education paths which sees women clustered in low-remunerative fields. The relevance of this dynamic, in addition to women's lower future professional perspectives, lies in the fact that the choices made by both sexes at a young age are not completely free but rather are gender biased.

Despite extensive research on the gender wage gap in salaries and its negative impact on the status of women in their economic and social lives, these studies often cannot delve deeply into the determinants at the firm level. Our research addresses this gap. This acquires even more relevance considering the entry into force of European Directive 970/2023, which emphasizes the importance of pay transparency, work of equal value, and measuring pay differentials. The directive mandates that the gap must be measured within individual firms, just as our data does. The originality of our research lies in the fact that we have microdata on entire company populations.

Using data from administrative sources on a sample of heterogeneous organizations that submitted themselves to the analysis to reach a certification on gender equality, we provide new empirical evidence on the extent and composition of the gender wage gap. Due to the nature of firms' self-selection, it is realistic to assume that our sample leads to an underestimation of the real wage gap compared to the population of organizations. However, notwithstanding the sub-sample self-selection, a non-negligible gender pay gap can be observed. Data referred to the individual using statistical sources that collect wages together with individual and family characteristics, allow for decomposing wage differential and correct for the non-random selection of women in the labour market, however, they cannot go deeper into the analysis of the determinants at the firm level. With the intent to identify the determinants at the firm level, we approached the analysis of company micro-data that collects, for each company in the dataset, not only micro-data on workers' wages and individual characteristics but also the degree to which company-level policies have been

shown to contribute positively to gender equality. The starting point for studies of labour income is the Mincerian wage equation (Mincer, 1974), which intends that the impact of certain characteristics, such as level of education, work experience, and age, should be studied in terms of potential productivity. Greater precision of estimation can be achieved by supplementing this equation with additional information about the job of individuals and the characteristics of the firms in which they are placed. Finally, if we incorporate the Mincerian equation with a dichotomous variable indicating gender, we can obtain an initial quantification of the gender wage gap that is not purely descriptive.

First, we look at the wage differential through regressions and afterwards, we quantify the discrimination component of that differential using the Oaxaca decomposition. In addition, for the subsample of workers for whom we can observe the level of education, we have also applied the Heckman correction for non-random selection (Heckman 1976, 1979). In all multivariate analyses, the dependent variable is the logarithmic form of hourly.

All econometric approaches confirm the presence of a gender wage gap in favour of males together with other common trends in the literature such as the positive impact of age, seniority and education on wages. Turning to firm characteristics and policies we find that greater representation of women in managerial positions implies higher wages for both genders. Formalized policies and services specifically for parenting are associated with higher overall wages. However, when analysing the Oaxaca decomposition by gender, it appears that this negatively affects females' wages: a possible explanation is that those companies with more formalized policies and services for parenting can better attract and retain employees with higher care duties (which implies fewer working hours) and hence show lower self-selection of female workers.