The influence of personal values, non-cognitive skills, and psychological attributes on the gender wage gap at the career entry

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Lately, research on the gender wage gap started focusing on the explanatory power of personal values, non-cognitive skills, and psychological attributes. In this presentation, we contribute to this research by analyzing the impact of these variables on the gender wage gap at the career entry by using a unique Swiss longitudinal dataset that was specifically conducted to examine the transition from school to work and therefore assessed respondents’ personality, their education, and the characteristics of their jobs in a very detailed manner. We focus on individuals that finished a VET and entered labor market right afterwards (around 65% of a cohort) to decrease unobserved factors given that the Swiss VET system is highly standardized and its credentials therefore serve as trustworthy signal for future employers. Our results show a substantial gender wage gap at the beginning of the labor market career that remains unexplained even when we control for a large battery of personal characteristics and job characteristics. Interestingly, personal values, non-cognitive skills, and psychological attributes predominantly influence men’s salary: Men are rewarded for behaving according to male gender roles, respectively punished if they do not. For example, we find that men benefit from preferences for a higher salary while their salary decreases if they show a preference for more secure jobs.