On firms’ willingness to pay for female top managerial talent: An analysis of wage spillovers in top management

Cristian L. Dezső
David Gaddis Ross
david.ross@warrington.ufl.edu
Jose Uribe

Follow this and additional works at: http://docs.lib.purdue.edu/cgg
Part of the Communication Commons, Human Resources Management Commons, Organizational Behavior and Theory Commons, Political Science Commons, Psychology Commons, and the Sociology Commons

Recommended Citation

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact epubs@purdue.edu for additional information.
Extant research suggests women may earn more when they have female colleagues and supervisors. However, we theorize that the legitimacy a female top manager confers on her firm is reduced by the presence of other women on the top management team, especially by a female CEO. A firm’s willingness to pay for – and thus the compensation the firm actually does pay to – a female top manager would accordingly decline in the number of her female colleagues on the top management team, especially if one of them is the CEO. By contrast, the wages of male top managers should be unaffected by having female colleagues. We find strong support for our theory using over 20 years of panel data on large US public companies.