

DISCUSSION PAPER SERIES

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## ABSTRACT

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# Explaining the Gender Gap in Job Satisfaction

In general, women report greater job satisfaction than men. The existing literature cannot fully explain the nature of this difference, as the gap tends to persist even when controlling for job characteristics. In this paper, we study job satisfaction using recent data for 28 EU countries. Women, on average, are more satisfied than men and the gap remains even when we account for a wide range of personal, job and family characteristics. However, the gap disappears when we include job preferences, as women place greater importance on work-life balance and the intrinsic desirability of the work.

**JEL Classification:** J16, J28, J24

**Keywords:** job satisfaction, job preferences, gender

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## 1. Introduction

Women, on average, report greater job satisfaction than men. In a highly influential paper, Clark (1997) shows that the gender gap in job satisfaction in Britain persists even when a wide range of personal and job characteristics are controlled for. Clark suggests that this may be explained by women having lower career expectations as a result of gender pay differentials, discrimination and reduced promotion prospects.<sup>1</sup> Therefore, despite occupying jobs which may be “objectively worse” than men’s, lower expectations may translate into higher job satisfaction for women.

Kaiser (2007) studies 15 EU countries and finds that women have greater job satisfaction than men in labour markets that are more restrictive for women. This is taken as support for Clark’s (1997) “expectations hypothesis”. However, Sloane and Williams (2000), in another highly cited paper, suggest an alternative explanation to the “expectations hypothesis”. They show that the determinants of job satisfaction for women and men differ. Faced with similar job characteristics as men, women’s job satisfaction would decline, indicating that the gender satisfaction gap relates to sorting into particular jobs based on different preferences.

The closest work to ours is Bender et al. (2005) who, using US data, show that women value job flexibility more than men. The fact that women are overrepresented in these types of flexible jobs helps to explain why women in female dominated workplaces tend to have higher job satisfaction. Bender et al. (2005) measure job flexibility using employee responses to five questions about their existing work arrangements, such as, whether their supervisor accommodates taking time off work. The difference with our paper, apart from studying recent EU data, is that we have detailed information on nine job preferences that directly capture the importance of various factors in the employee’s decision to accept their current job. Therefore, our data allows for a more complete assessment of the role of job preferences in explaining the gender gap in job satisfaction.

Our data comes from the 2014 European Skills and Jobs Survey (ESJS). In addition to job preferences, the ESJS also contains information on a wide range of personal, family and job characteristics. We find that wages, promotion prospects, job insecurity, skills mismatch and the level of worker autonomy are all important determinants of job satisfaction. However, even after controlling for these characteristics a gender satisfaction gap remains. Controlling for job preferences causes the gap to disappear. Women’s stronger preferences for choosing jobs that they intrinsically like, and which facilitate a good work-life balance, are of particular importance.

## 2. Data and methodology

The 2014 ESJS contains information on 48,000 workers across 28 EU countries (Cedefop, 2014). This includes personal characteristics such as age, gender, education and family composition. It also contains information on wages, occupation, hours of work, tenure, level of job autonomy, skills mismatch, promotions history and job insecurity. Regarding job preferences, employees are asked, *before you started working for your current employer, how important, if at all, were the following factors in your decision to accept the job?* They rate 9 factors on a scale of 0 to 10, where 0 means not important and 10 means essential. In Table 1 we list each of the nine factors along with the average score for men and women. Men place more importance on career progression, pay and benefits, and

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<sup>1</sup> While discrimination may have improved since the publication of Clark (1997), a gender wage gap, which is largely unexplained, persists in Europe (Redmond and McGuinness, 2019).

the reputation of the organisation. Women assign greater importance to skills match, gaining experience, job security, proximity to home, being interested in the work, and work-life balance.

**Table 1: Job Preference Scores for Men and Women**

Job Preference	Score (Men)	Score (Women)
The job suited your qualifications and skills	7.16	7.31
You wanted to gain some work experience	6.73	7.02
The job provided security	7.56	7.84
The job offered good career progression / career development	6.62	6.48
The company / organisation was well known / respected in its field	7.09	7.01
The pay and benefits package was good	6.58	6.26
The job was close to home	6.34	6.70
You were interested in the nature of the work itself	7.65	7.81
The job had a good work-life balance	7.23	7.57

**Notes:** The average response to each of the nine job preferences is shown for males and females.

Regarding job satisfaction, workers are asked, *on a scale from 0 to 10, where 0 means very dissatisfied, 5 means neither satisfied nor dissatisfied and 10 means very satisfied, how satisfied are you with your job?* The average job satisfaction score is 7.03 for women and 6.98 for men. The difference of 0.05 is statistically significant at the 99 percent confidence level.

Our methodology involves regressing job satisfaction on a range of personal, human capital and job characteristics. The gender coefficient from this regression is the conditional gender job satisfaction gap. We then add job preferences to our regression and see how this impacts the gender coefficient. As well as OLS, we implement a probit model using a binary outcome variable to indicate job satisfaction, and an ordered probit model to take account of the ordinal nature of the response variable. The results are consistent across all three models.

### 3. Results

The results from our job satisfaction regression are shown in Table 2. The first column does not include the job preferences variables and shows that, controlling for other factors, men's job satisfaction score is lower than women's by 0.06 points, which is close to the gap observed by simply comparing average satisfaction scores (7.03 for women v 6.98 for men). Column (1) also indicates that job satisfaction is positively associated with wages, age, increased job autonomy and recent promotion. Having children and a spouse also increases job satisfaction. We include a variable which captures whether the individual has experienced recent changes to the technology used in their work (labelled *Changes to technology*), and we find this is also positively associated with satisfaction. In terms of occupations, managers, professionals and those working in agriculture have the highest job satisfaction.

Characteristics associated with lower satisfaction include part-time employment, working in the private sector, longer job tenure, longer hours of work, being a permanent employee (as opposed to a temporary employee) and having higher education. We include a variable that captures whether an employee thinks it is likely they will lose their job in the next year (labelled *Job Insecurity*). Employees experiencing job insecurity are less satisfied. We capture another dimension of insecurity which indicates whether an employee feels their skills will be outdated in the next five years (labelled *Skills outdated*). These workers also report lower job satisfaction. Measures of skills mismatch are also

included, which capture whether an employee feels they have surplus skills (*Over-skilled*) or deficit skills (*Under-skilled*) for their current role. Compared to matched employees, mismatched workers experience lower satisfaction, with over-skilled being particularly dissatisfied.

In Column (2) of Table 2 we add in our job preferences variables. In this specification, the gender coefficient is no longer significant. These results reveal two factors that are of particular importance in determining job satisfaction: being interested in the work itself and a good work-life balance. Both are associated with increased satisfaction and the magnitude of the estimates are a multiple of the other preferences. We saw from Table 1 that women place greater importance on both of these factors when choosing a job. Therefore, controlling for these preferences explains the gap in job satisfaction between men and women. Even including just these two factors alone, either with or without the other personal and job characteristics, is enough to explain the gender satisfaction gap. Panel 1 of Table 3 shows that when these two preferences alone are controlled for, the gender coefficient is no longer statistically significant.

**Table 2: Determinants of Job Satisfaction**

VARIABLES	(1) Without job preferences	(2) With job preferences
Male	-0.059** (0.024)	-0.018 (0.024)
Log Wage	0.133*** (0.021)	0.065*** (0.022)
Part-time	-0.002* (0.001)	-0.002 (0.001)
Age	0.008*** (0.001)	0.008*** (0.001)
Private sector	-0.058** (0.024)	0.001 (0.024)
Tenure (years)	-0.013*** (0.002)	-0.015*** (0.002)
Hours worked	-0.004*** (0.001)	-0.004*** (0.001)

Permanent contract	-0.251*** (0.032)	-0.267*** (0.032)
Medium education	-0.005 (0.038)	0.040 (0.038)
High education	-0.142*** (0.042)	-0.109** (0.043)
Changes to technology	0.099*** (0.023)	0.054** (0.023)
Moved house	-0.044 (0.030)	-0.047 (0.031)
Spouse	0.122*** (0.024)	0.048** (0.024)
Children	0.073*** (0.023)	0.070*** (0.023)
Non-routine	-0.009 (0.026)	-0.044* (0.026)
Autonomy	0.543*** (0.025)	0.412*** (0.025)
Promoted	0.463*** (0.026)	0.399*** (0.026)
Job insecurity	-0.157*** (0.004)	-0.143*** (0.004)
Skills outdated	-0.039*** (0.004)	-0.034*** (0.004)
Over-skilled	-0.633*** (0.023)	-0.492*** (0.023)
Under-skilled	-0.373*** (0.047)	-0.270*** (0.047)
Native	-0.073** (0.037)	-0.034 (0.037)
Manager	0.607*** (0.070)	0.259*** (0.071)
Professional	0.487*** (0.063)	0.102 (0.064)
Associate professional	0.431*** (0.062)	0.061 (0.063)
Sales	0.263*** (0.060)	0.000 (0.061)
Clerical	0.285*** (0.060)	-0.014 (0.060)
Agriculture	0.462*** (0.140)	0.261* (0.140)
Building	0.385*** (0.067)	0.048 (0.068)
Machine operative	0.260*** (0.068)	0.037 (0.068)
Likes the work		0.136*** (0.006)
Work-life balance		0.095*** (0.005)
Suits skills		0.021***

		(0.005)
Gain experience		0.012**
		(0.005)
Job security		-0.017***
		(0.006)
Career progression		0.027***
		(0.006)
Reputation of firm		0.042***
		(0.005)
Benefits and pay		0.035***
		(0.005)
Close to home		-0.008**
		(0.004)
Constant	6.850***	4.777***
	(0.131)	(0.142)
Country fixed effects	yes	yes
Observations	36,131	32,190
R-squared	0.134	0.215

**Notes:** In Column (1) job satisfaction is regressed on personal, job and family characteristics. In Column (2), the nine job preferences are added as additional control variables. Standard errors are shown in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Finally, while the OLS regression results show the marginal effect of gender on the mean job satisfaction score, we also estimate two additional models. In Panel 2 of Table 3, we show results from a probit model where the dependent variable equals one if the worker has a job satisfaction score of 8 or above and 0 otherwise.<sup>2</sup> In Panel 3 of Table 3, we take account of the ordinal nature of the response variable by implementing an ordered probit model. We show marginal effects using the most satisfied criteria as the frame of reference.<sup>3</sup> The results for the probit and ordered probit models are similar and show that, while men are one percentage point less likely to be highly satisfied in their job, the coefficient is not statistically significant when job preferences are controlled for. Therefore, the main result is consistent across all three models: controlling for job preferences is sufficient to explain the gender gap in job satisfaction.

**Table 3: Determinants of Job Satisfaction Using Only Job Preferences**

VARIABLES	(1) OLS		(2) Probit		(3) Ordered Probit	
	jobsat	jobsat	jobsat	jobsat	jobsat	jobsat
Male	-0.050**	0.031	-0.011**	0.005	-0.010***	0.002
	(0.021)	(0.020)	(0.005)	(0.005)	(0.003)	(0.003)
Likes the work		0.211***		0.047***		0.032***
		(0.005)		(0.001)		(0.001)
Work-life balance		0.129***		0.025***		0.020***
		(0.004)		(0.001)		(0.001)

<sup>2</sup> A score of 8 is chosen as the cut-off as this corresponds to the median satisfaction score.

<sup>3</sup> As there are few observations in the bottom three categories, the 0-10 scale is collapsed into five categories: 1. (0, 1, 2); 2 (3, 4); 3 (5, 6); 4 (7, 8); 5 (9, 10).

Constant	6.868*** (0.072)	4.248*** (0.077)				
Observations	45,417	45,417	45,417	45,417	45,417	45,417
R-squared	0.017	0.118				

**Notes:** Panel (1) shows results from an OLS regression of job satisfaction on gender, both with and without the two job preferences. Panels (2) and (3) show analogous results from a probit and ordered probit model respectively. Standard errors in parentheses. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

## Conclusion

There has been much debate about why a gender gap exists in job satisfaction. Previous work has shown that a gender gap prevails even when a wide range of personal and job characteristics are controlled for. One argument that has emerged is that women have lower expectations than men, and therefore report higher satisfaction, even in jobs that may be objectively worse. However, using unique data for Europe which captures detailed preferences relating to an employee's job choice, we show that job preferences can explain the gender gap in satisfaction. Two preferences stand out as particularly important: intrinsically liking the work and having a good work-life balance. These preferences are strongly associated with greater job satisfaction and women place a greater emphasis on both of these factors than men. Controlling for these preferences causes the gender gap in job satisfaction to disappear.

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