Gender Differences in the Workplace: Evidence from a Tanzanian Factory

Researchers:

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Sector(s): Gender, Labor Markets, Firms

Fieldwork: MASSA Institute of Social Science Research (MISSR)

Location: Dar Es Salaam, Tanzania

Sample: 1,800 factory applicants

Initiative(s): Gender and Economic Agency (GEA) Initiative

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Across many contexts, women experience lower labor force participation rates, earn lower wages as employees, and face additional barriers to accessing management positions. In Tanzania, researchers are conducting a randomized evaluation to test the impact of factory employment and different compensation schemes on gender differences in labor market outcomes, taste for competition, and views on social and gender norms.

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Across many contexts, women experience lower labor force participation rates, , earn lower wages as employees, and face additional barriers to accessing management positions. There are a variety of factors that may contribute to gender gaps, including a higher burden of unpaid work, sociocultural norms, and lack of connections or relevant skills. Another factor that may influence gender gaps is competitiveness—a psychological attribute related to taste for competition–-which evidence suggests is one predictor of education and labor market outcomes. Competitiveness may vary by gender: what motivates women may be different from what motivates men, with potential implications for designing policies to promote gender pay equity.

Periods of social and economic transformation, such as industrialization, may impact competitiveness by shifting gender norms in low- and middle-income countries, but there is little empirical evidence on whether and how these norms change. While industrialization can improve opportunities for women, workplace structures may maintain existing gender norms.

How do different compensation and promotion schemes in the industrial sector affect the gender wage gap? How does industrial work experience affect gender norms and gaps in competitiveness?

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In Tanzania, 79 percent of women participate in the labor force. However, only 10 percent are employed in the formal sector and they face a 35 percent gender wage gap. In 2019, data from the factory in this study showed that, on average, male workers earned more compared to female workers, even after considering differences in tenure, attendance, and hours worked. While there were no differences in base pay, gender differences were sizeable in individual performance pay. Lastly, women were underrepresented in upper management and leadership, despite constituting 70 percent of the factory's employees.

At the same time, as Tanzania is in a comparatively early stage of industrialization, numerous workers are transitioning from agriculture to modern factory settings. Therefore, factory work may be their first exposure to a competitive work environment, where promotions depend on relative performance. In 2019, a survey of the study sample showed that less than one percent of job applicants had prior industrial experience. Moreover, most first-generation industrial workers are women, especially in the textile industry.



Women working at a textile factory in Tanzania.

Photo credit: Yuen Ho, University of California, Berkeley

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In partnership with a large garment manufacturing firm in Tanzania, researchers are conducting a series of randomized evaluations to test the impact of factory employment and different compensation schemes on gender differences in labor market outcomes. The study will comprise two experiments studying (1) the impact of different compensation schemes on the gender wage gap, and (2) the impact of exposure to factory work on competitiveness and social and gender norms.

The first experiment will study the impact of different compensation schemes on the gender wage gap. Specifically, researchers will assess whether different incentives motivate men and women differently.

The second experiment will study the impact of exposure to factory work on competitiveness and views on social and gender norms. The researchers will first construct a sample of eligible applicants: youths ages 18-30 who live within a two-hour commute

of the factory and who are looking for entry-level jobs.

On a building-by-building basis, job-seekers were randomly assigned to receive one of the following interventions devised to increase the applications rate to the factory.

- *Control group*: Basic information.
- *Treatment group*: Basic information, recruitment materials, and SMS messages: Job-seekers in this group watched a recruitment video advertising job openings at the factory and also received SMS messages about days when the factory had high hiring needs, improving their likelihood of being hired, as well as a variety of messages encouraging them to apply to openings.

Prior to the start of the intervention, the researchers interviewed the 1,800 job-seeking youths in the sample on a variety of psycho-social traits and soft skills. They subsequently implemented the SMS encouragement intervention from May to September 2022. Starting in January 2022, they registered all job seekers at the factory gate and gathered data on factory hires, allowing them to identify patterns in the labor supply and if a youth from the neighborhood sample applied and was selected by the factory. Lastly, they complemented the surveys with the above mentioned administrative data from the factory.

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Research ongoing; results forthcoming.