

Do arbitrary stereotypes cause labor-market specialization along gender lines?

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Abstract: Not only do men and women choose different professions at dissimilar rates, within many professions, men and women often specialize in different jobs. In fact, there are many jobs that, in the minds of many, are clearly associated to one of the two genders. There is mounting evidence, however, that differences in ability cannot account for the observed degree of specialization along gender lines. In this paper, we study specialization and hiring decisions in a labor market experiment where employers cannot observe the workers' abilities but can infer them through the workers' specialization decision and their gender. We first concentrate on the effect of stereotypes, a belief that one gender is more able than the other in a particular job, that are arbitrary in that they are randomly introduced and are not based on real differences in ability. We find that in the absence of a stereotype, workers and employers ignore gender: workers specialize according to their ability and employers hire according to specialization. When stereotypes are introduced, this is no longer the case. employers, when faced with equally qualified candidates, base their hiring decisions of the prevailing stereotype. Expecting this, workers then tend to specialize on the job stereotyped for their gender, and thus, the initially arbitrary stereotype becomes self-fulfilling. In the second part of the paper, we study whether the cycle induced by self-fulfilling stereotypes can be overcome through better information about the underlying ability distribution. We find that, once set, stereotypes continue to drive specialization and hiring decisions even after it is commonly known that there are no gender differences in ability.