Gender Differences in the Response to Incentives: Evidence from Academia

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Knowledge work and other high-skilled jobs commonly feature both explicit performance incentives and market-based career-concern incentives. Gender differences in mobility, negotiation attitudes, and performance assessments could cause women to respond less to career-concern incentives. This could have implications for gender gaps in performance, pay and female representation, as well as innovation and knowledge creation. This paper studies whether men and women respond to different types of incentives, and how this affects knowledge output and female representation. Exploiting the introduction of performance pay in German academia as a natural experiment and using a data set that encompasses the affiliations and publication records of the universe of German academics, I provide evidence of gender differences in the causal response to explicit performance incentives and career-concern incentives. I find that men have a significant effort response to career-concern incentives only, of 16% to 19%, while women have a significant effort response to explicit performance incentives only, of 36% to 40%. This dichotomous response to incentives has implications for innovation and female representation. While women increase work that ends up being most highly cited in response to performance pay, men do not. Men do increase work that is more novel, but which has only medium impact. Women increase work that is less novel, but which garners more follow-on research. I find that there is positive self-selection of both men and women into performance pay. But I also find suggestive evidence that more productive women may not be more likely to receive academic job offers – despite their positive, high(er) quality effort response. This could limit female representation in academia and may negatively impact innovation.

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