

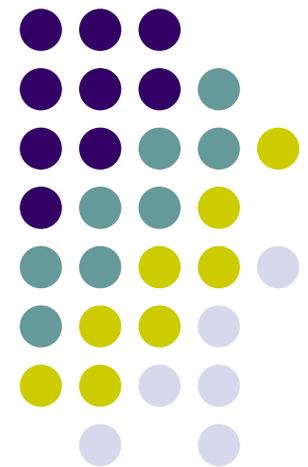
Part-time work and women's careers: Advancing or retreating?

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Overview

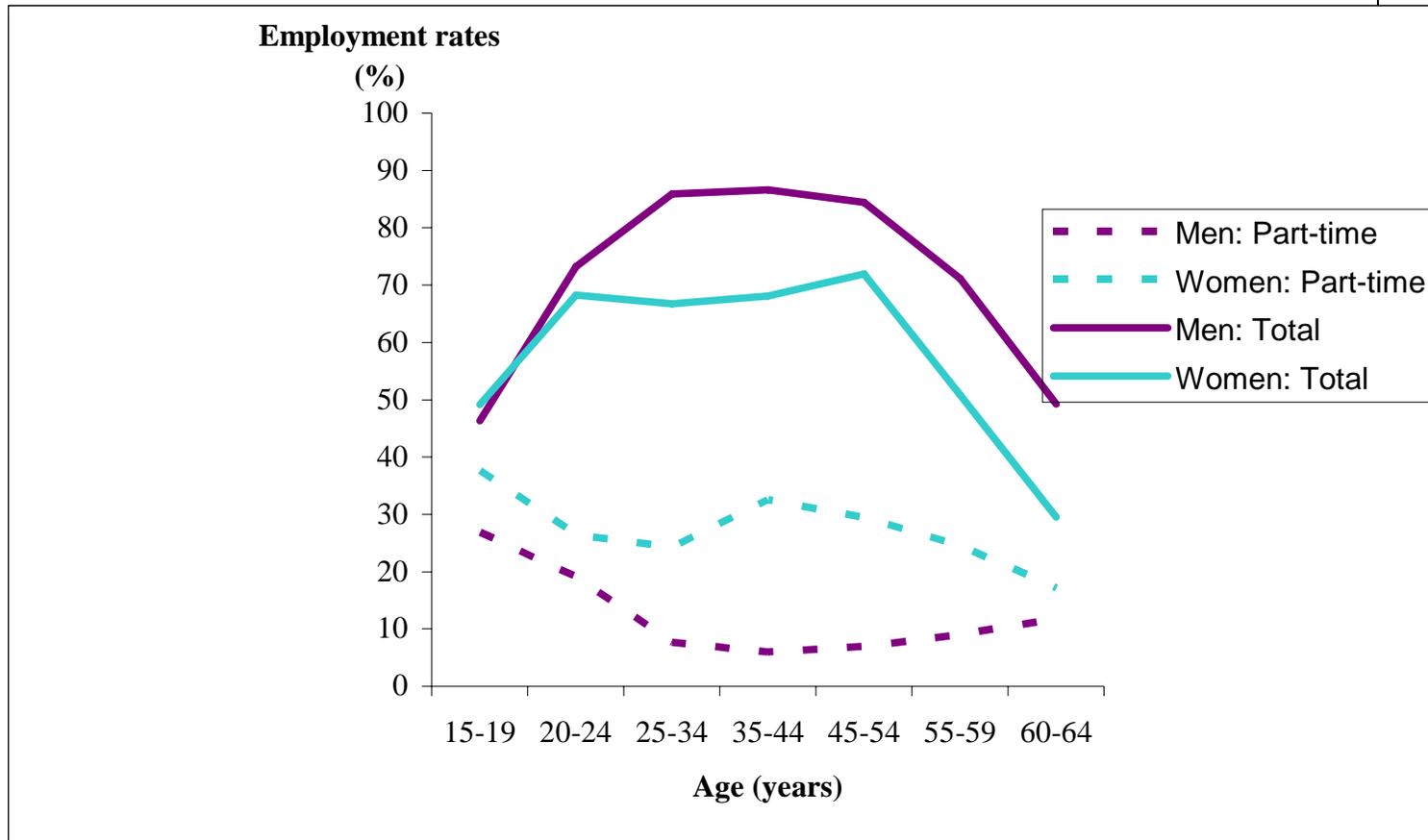
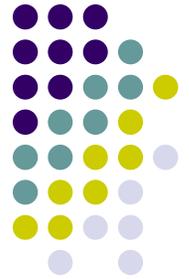
- **Motivation for examining impact of part-time work experience on women's career advancement, as measured by earnings**
- **Methods for measuring impact of work experience on earnings**
- **Estimation results from modelling impact of *actual* part time work experience using Negotiating the Life Course (NLC) Survey**
- **Lifestyle preference theory critique: Perhaps women that accumulate the most part-time work experience should expect to earn less than other women?**
- **Solution: Investigate relationship between part-time experience and earnings *excluding individual unobserved heterogeneity***
- **Estimation results from modelling impact of constructed part-time work experience using HILDA data**
- **Implications and conclusion**

Motivation for asking whether part-time work facilitates career advancement



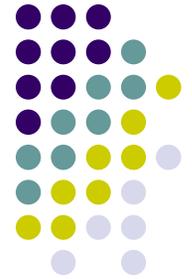
- **Part-time work for mothers is put forward as answer to work-family imbalance**
- **Women working part-time work should be integrated into the paid labour market and career advancement is key evidence of integration**
- **Integration will help facilitate income security across the life-course.**
- **International research suggests that part-time work does little, if anything to advance women's careers.**
- ***UK data show that for each year of part-time employment, hourly wages decrease by 1%, in addition to missing out on the 3% gain that each year of working full-time brings (Olsen and Walby, 2004) .***

Employment rates, part-time and total by sex and age, Australia, August 2004



Source: ABS - Labour Force Survey data cubes

Employment rates of mothers* by age of youngest dependent child, Australia, 1985 to 2004



	Employment status		
	Employed full-time (%)	Employed part-time (%)	Employed (%)
1985 (July)			
0-4	11.1	17.9	29.0
5-9	21.3	26.5	47.8
10-14	28.1	26.2	54.3
Total (including dependents aged 15-20)	20.3	25.3	45.6
1995 (June)			
0-4	15.8	28.9	44.7
5-9	26.1	37.9	64.1
10-14	35.7	33.7	69.4
Total (including dependents aged 15-24)	25.8	32.1	57.9
2004 (June)			
0-4	13.8	31.0	44.8
5-9	25.3	39.0	64.3
10-14	35.4	35.7	71.1
Total (including dependents aged 15-24)	26.0	34.0	60.0

*Lone mothers and mothers in opposite sex couples

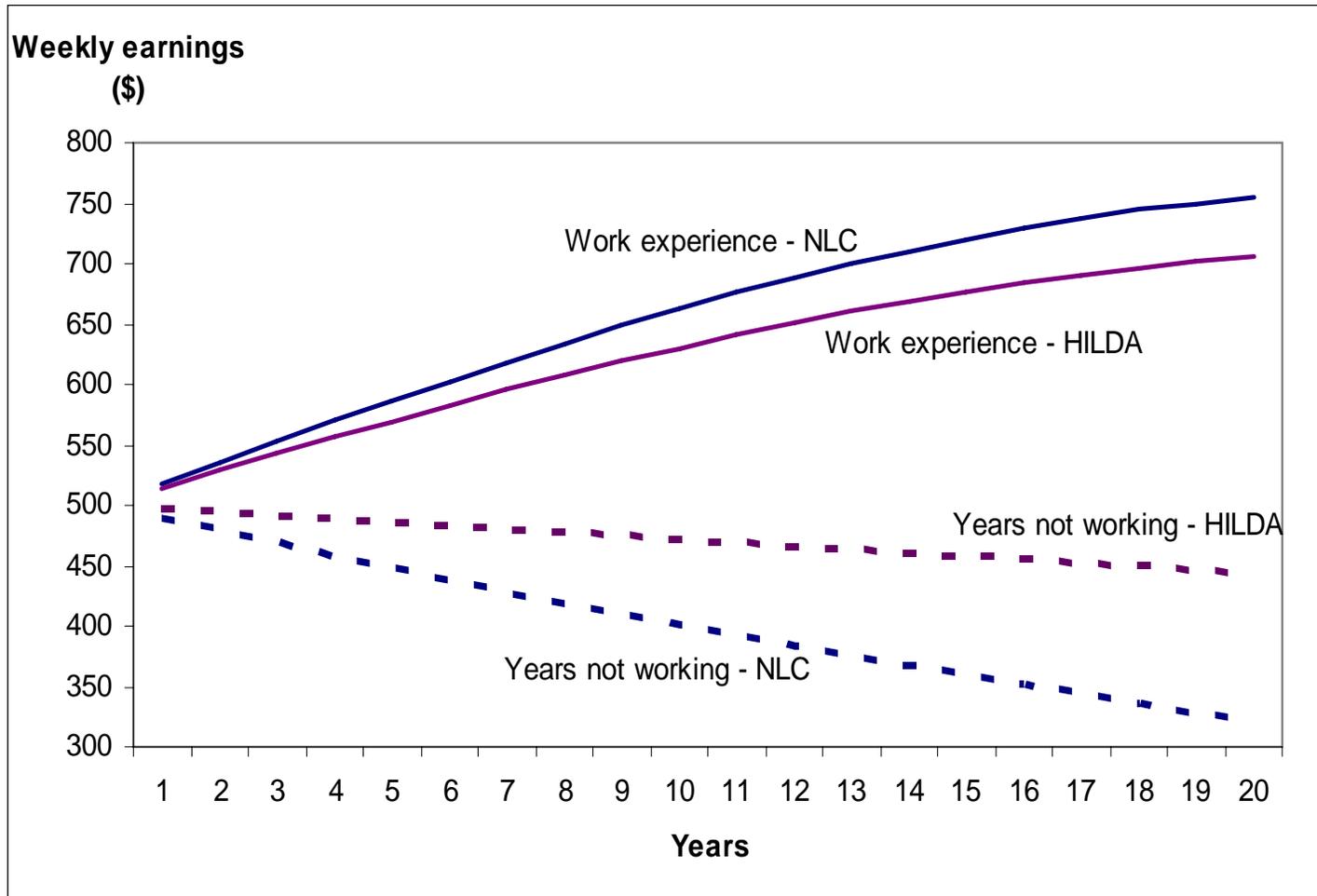
Source: ABS, Labour Force Status and Other characteristics of Families, Australia (Cat No. 6224.0) and Data Cubes 6291.0.55.001

How to measure impact of work experience on career advancement



- **Career advancement measured in terms of earnings growth**
- **Following neoclassical economics (human capital theory) earnings is thought to represent human capital**
- **Main ways to accumulate human capital (and grow earnings)**
 - **Formal education and training, and**
 - **Skills learned while in paid employment**
- **Work experience comprises employer funded training and skills, valuable to all employers, acquired while at work. Work experience is measured by *Time* in paid employment**
 - **Human capital accumulates with work experience and depreciates with time out of the labour force**
 - **Years of part-time work should add to human capital and earnings proportionately to years of full-time work**

Effect of time in and out of the labour force on future earnings - HILDA and NLC surveys

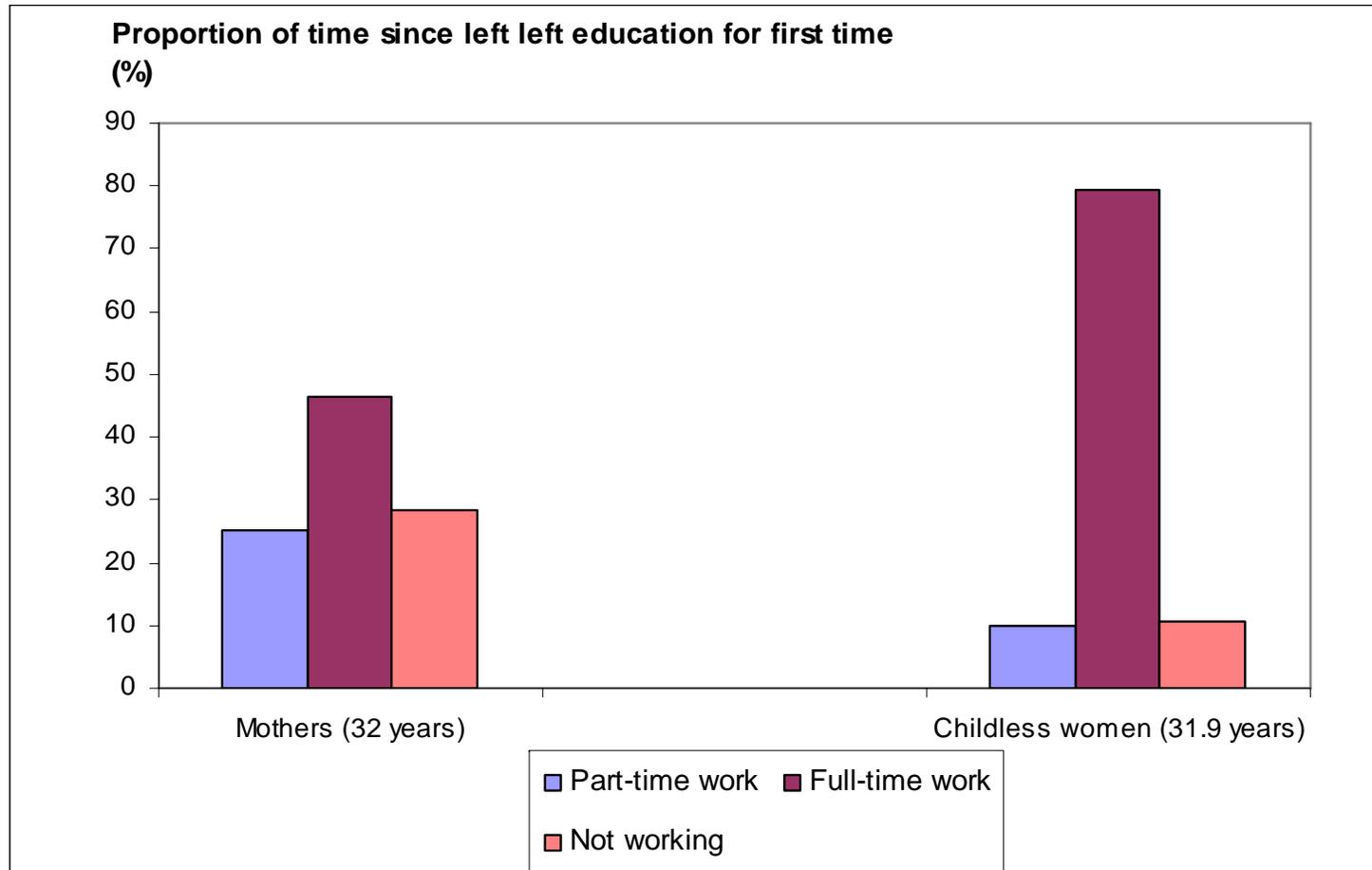
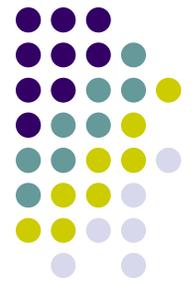


Part-time work experience: Analysis of Negotiating the Life Course (NLC) Data, 1997

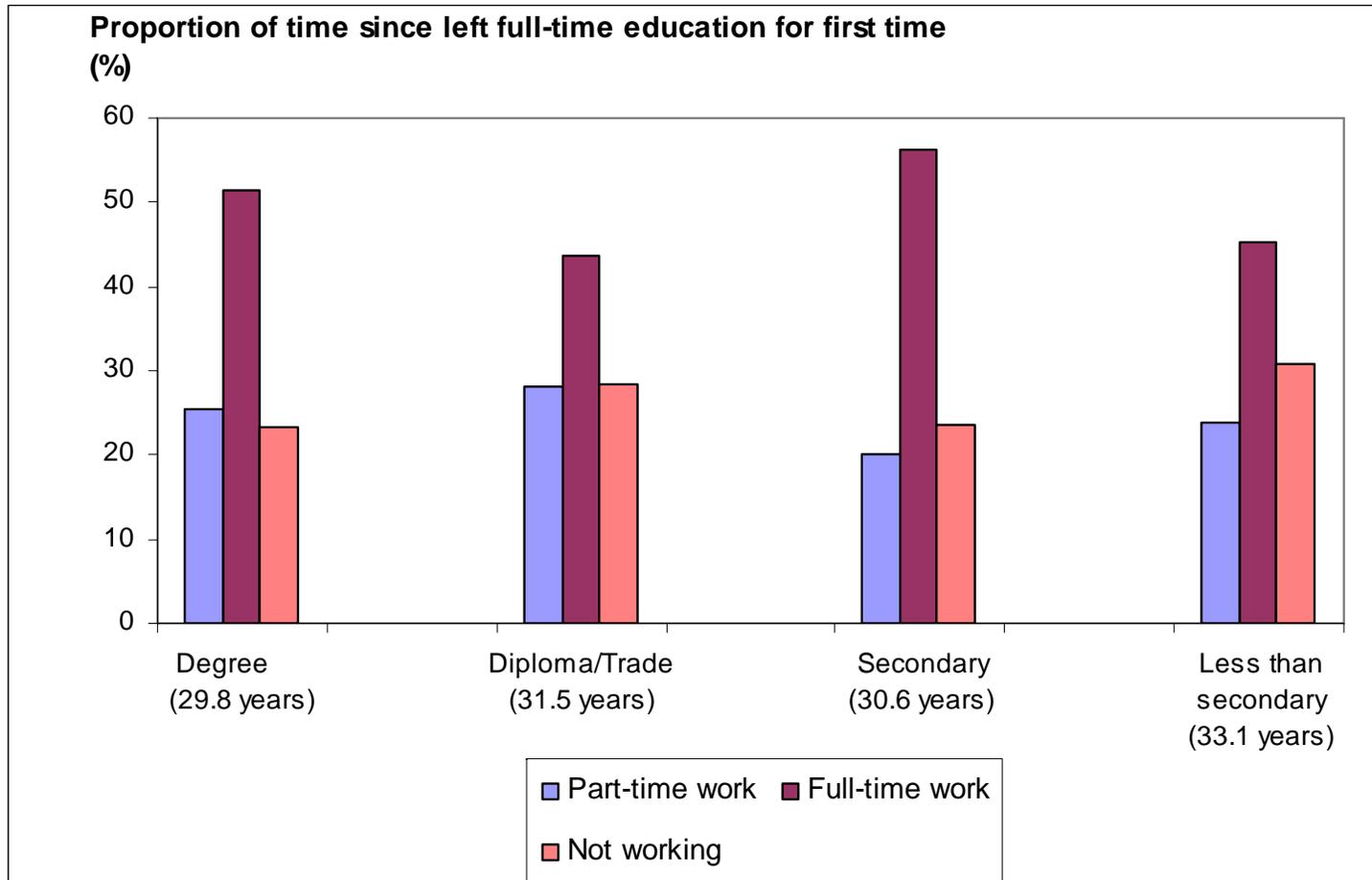
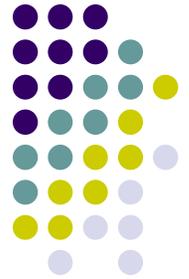


- **First wave of NLC (most representative)**
- **Employment history constructed from retrospective information on employment and education status in each year since turned 15**
- **Employment status**
 - Full-time work; or
 - Part-time/casual work
- **Restrict to women aged 20-54 in 1997**
 - Consider weekly earnings of employees working 35+ hours/week in 1997

Life time working patterns of mothers and childless women aged 45-54 years, NLC 1997



Life-time working patterns of mothers aged 45-54 years by education status, NLC 1997

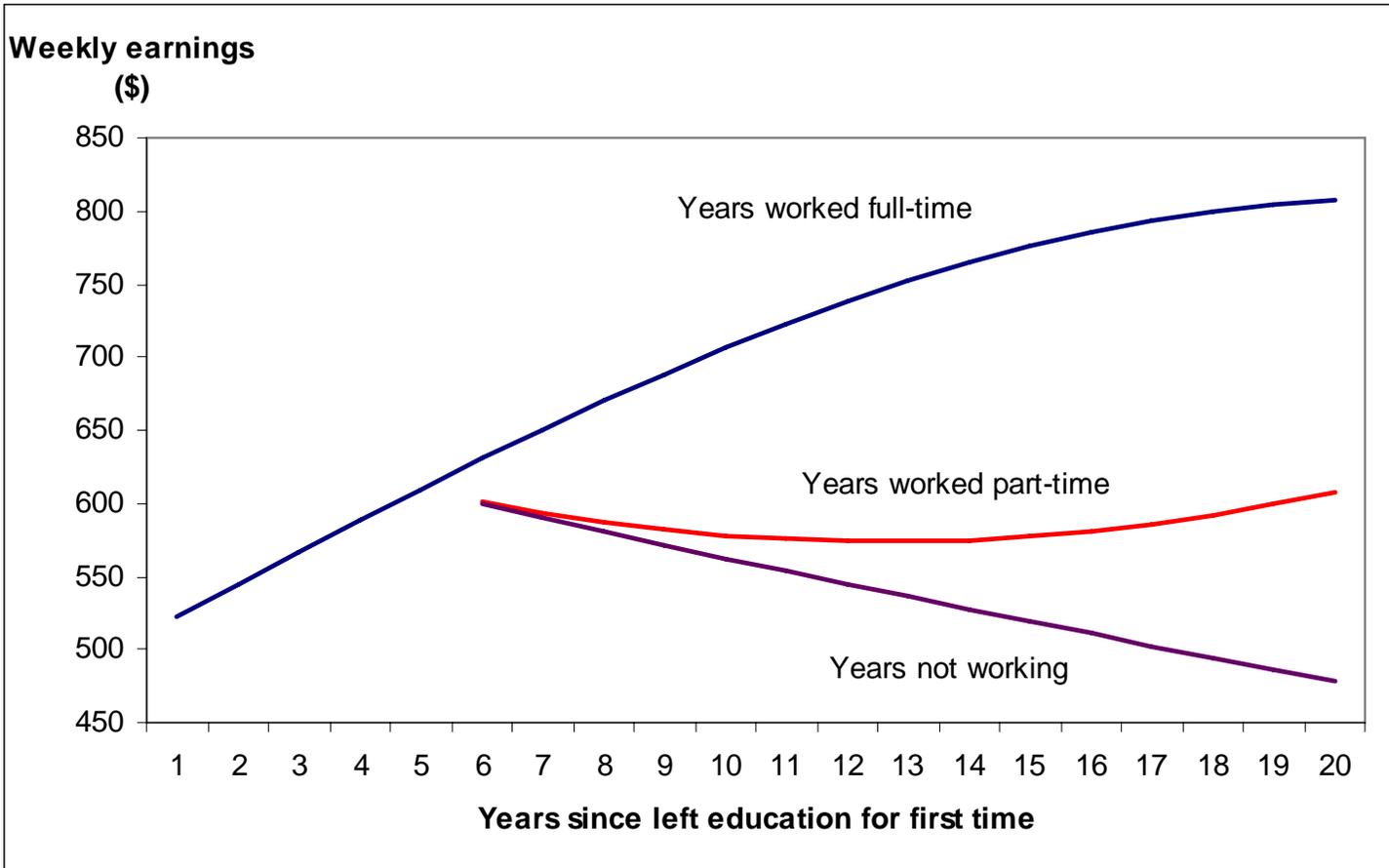
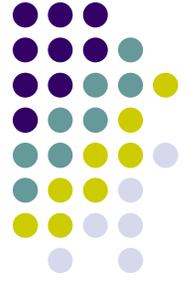


Results from OLS regression of weekly earnings for female employees working full-time: NLC 1997

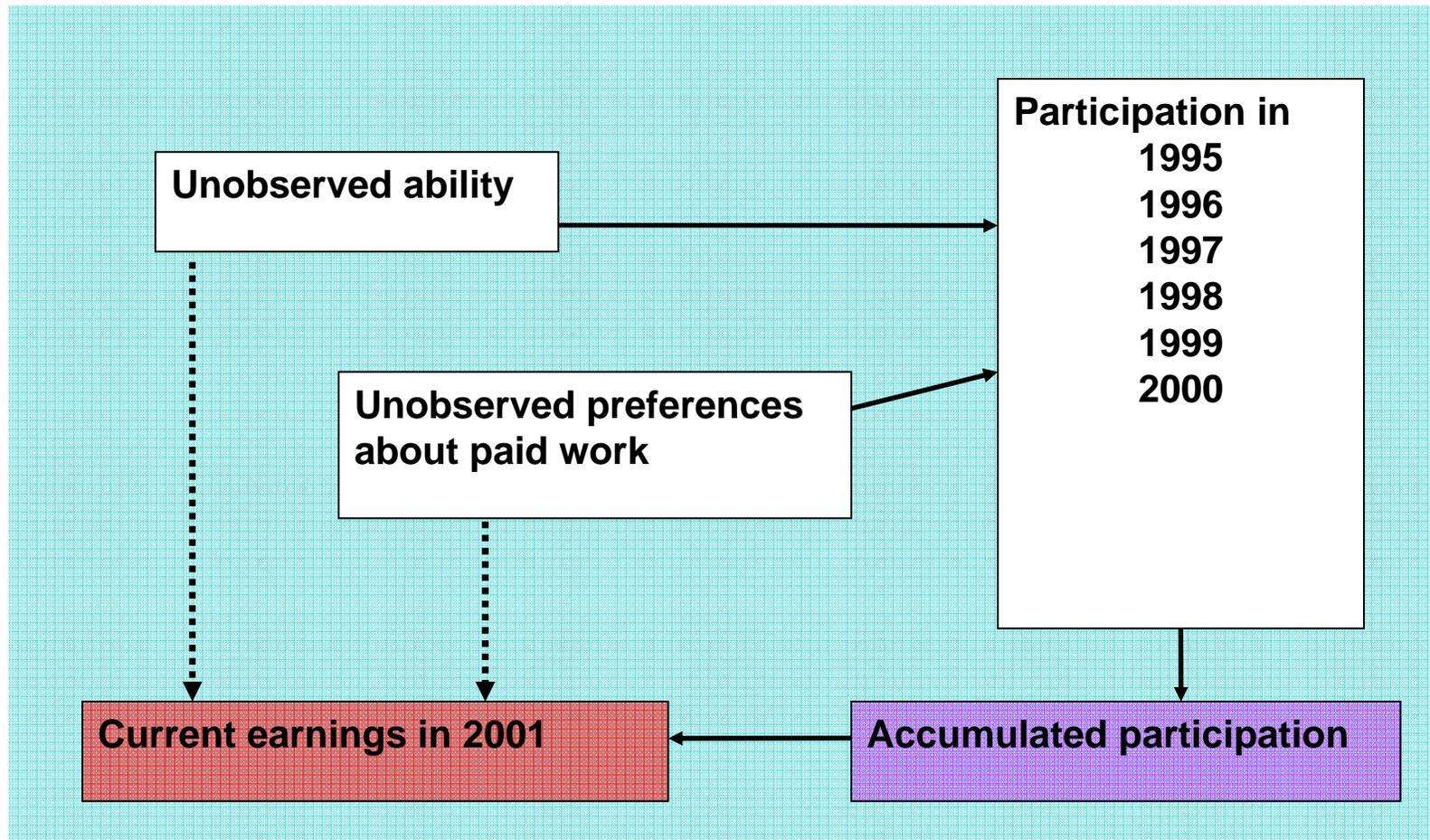


	Coefficient	Z Statistic
Full-time experience	0.047	5.74
Full-time experience ² /100	-0.108	-4.43
Part-time experience	-0.017	-2.05
Part-time experience ² /100	0.105	2.20
Time out	-0.016	-2.84
Tenure <1 year	0.017	0.39
Tenure >4 years	0.058	1.40
Bachelor	0.431	9.84
Diploma	0.231	3.75
Vocational	0.080	1.80
Diploma/vocational	n/a	n/a
Secondary	0.224	3.94
Born overseas	-0.060	-0.82
Born overseas in an English speaking country	-0.014	-0.16
Constant	5.913	113.93
Lambda	n/a	
R ²	0.3958	
Sample size	340	

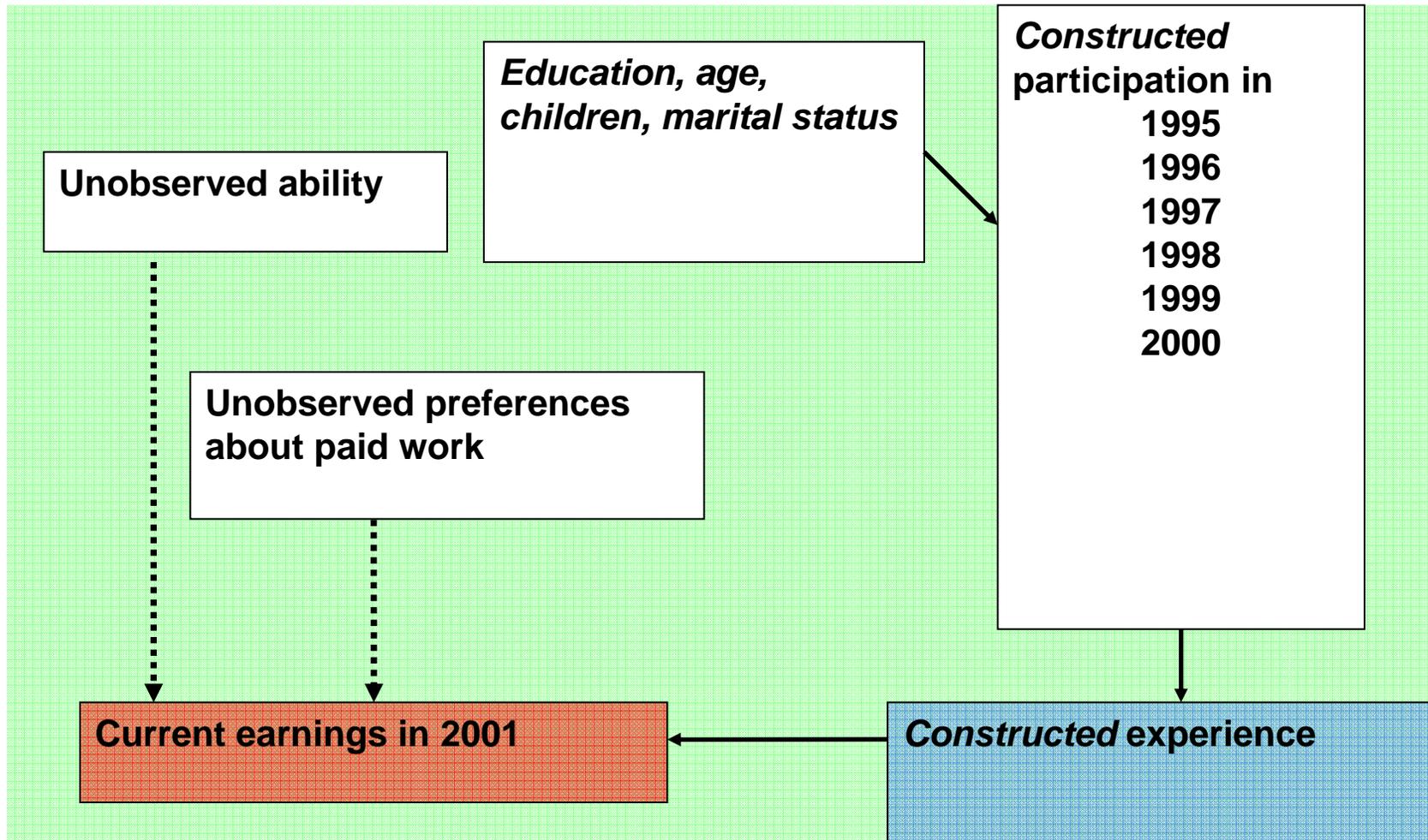
Estimated impact of employment history on current earnings of full-time employees NLC 1997



Spurious relationship between employment history and current earnings?



Our Solution: Break link between unobserved ability and lifestyle preferences and employment history





Our Solution

- Use the first wave of HILDA as basis of estimation
- HILDA has information which allows us to establish
 - The year that each woman left education for the first time
 - The woman's marital status and the number and age of her children in every year of her working life
- Use this information to *construct* for each year of a woman's working life whether she worked and whether she worked full/part-time.
- Basis for *constructed experience*
- i) For years encompassing 1978 to 2000: use ABS IDS and SIHC Surveys to estimate equations for the probability that a woman works and, if she works the hours that she works based on this information.
- ii) For years encompassing 1964 to 1977: use Labour Force Survey data - proportions of women grouped by marital status and age that worked and that worked full-time.

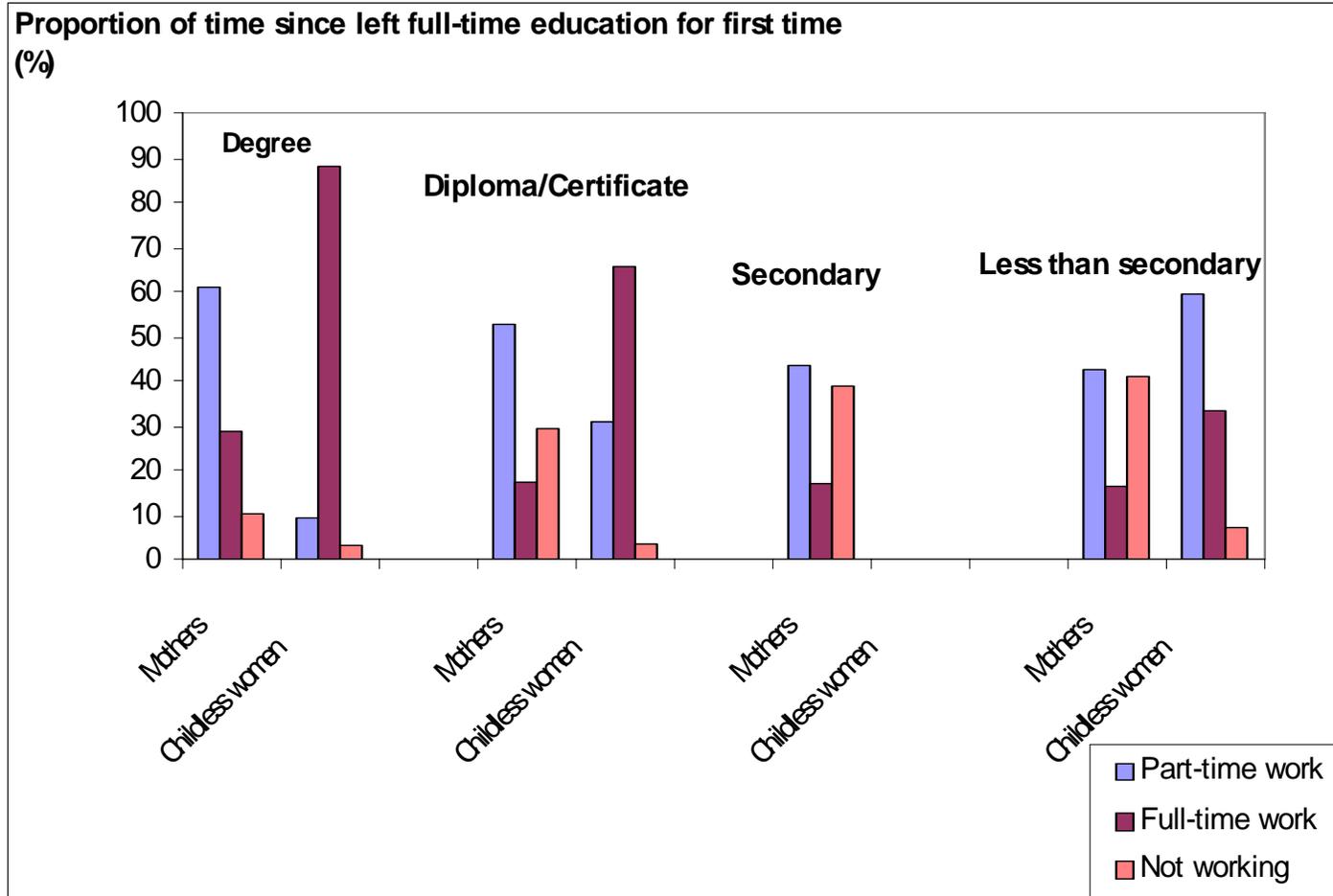


HILDA 2001

- First wave (most representative)
- Employment history constructed
- Restricted to women aged 20-54 years in 2001
 - Consider weekly earnings in main job of employees working 35+ hours in main job.

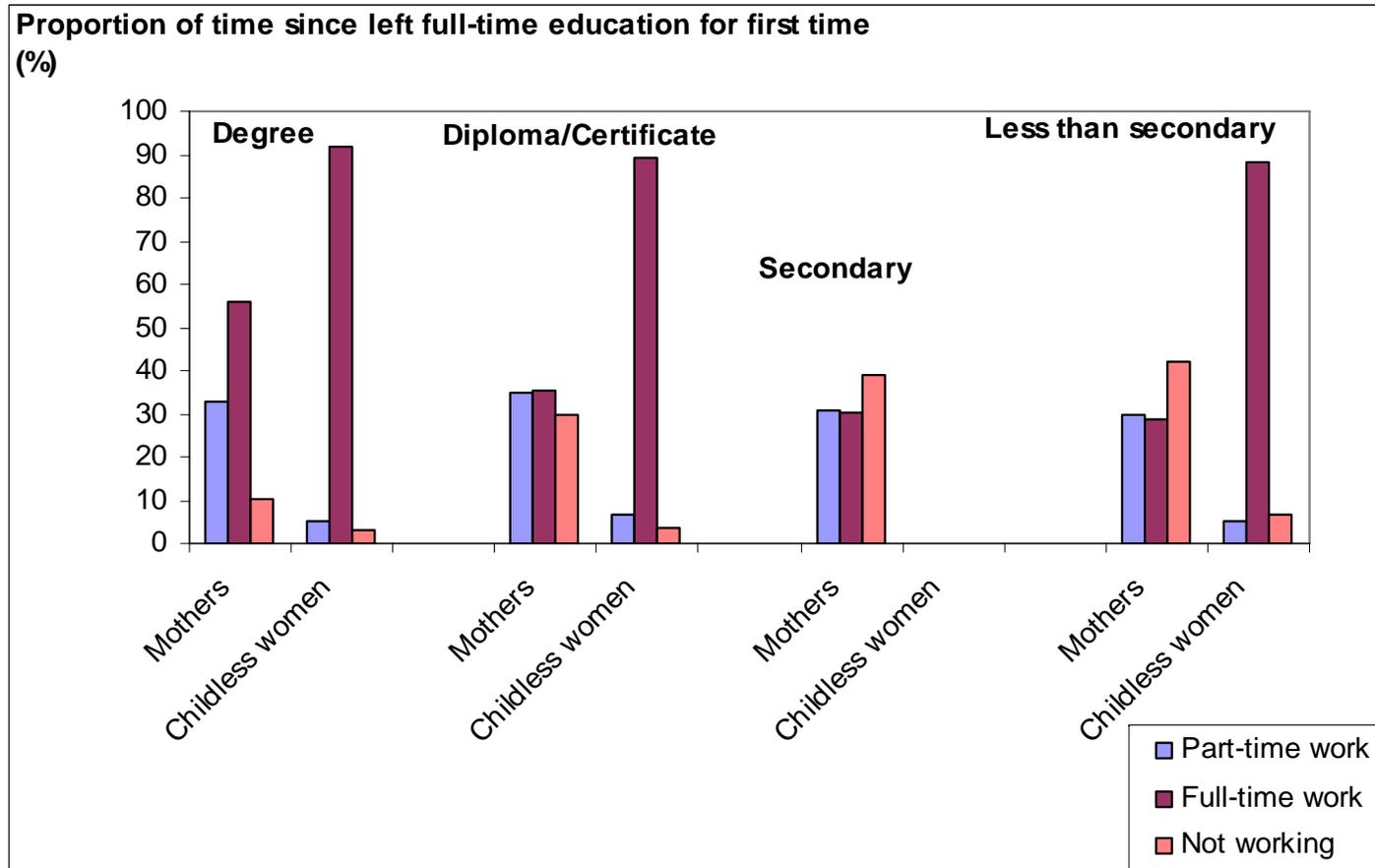
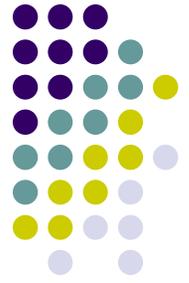
Constructed life-time working patterns of women aged 45-59 years, HILDA 2001

Option 1

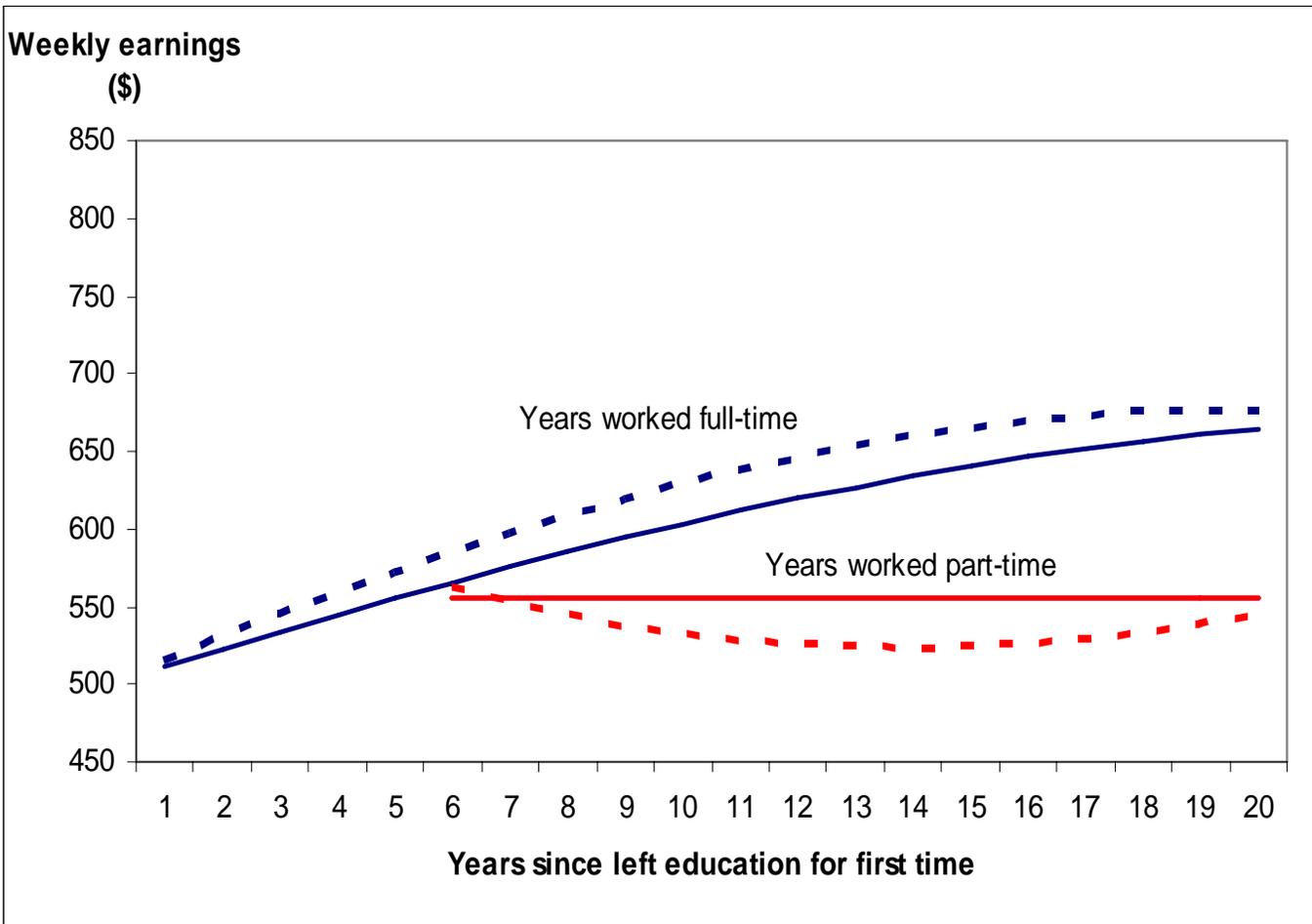
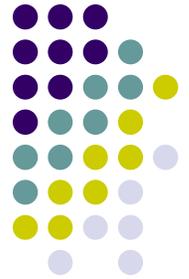


Constructed life-time working patterns of women aged 45-59 years, HILDA 2001

Option 2



Estimated impact of constructed employment history on current earnings of full-time employee





Findings and implications

We find

- **Part-time work experience does not advance careers, at best it maintains a “holding pattern”.**
- **This does not reflect ‘lifestyle preferences’**

Implications

- **Women bear cost of ‘family care’**
- **Society loses benefits of women’s investment in “human capital”**



Possible explanations

- **UK research found that women who want to work part-time often have to change employers and/or occupation ie downward mobility associated with move from full-time to part-time hours (Manning and Petrongolo, 2004) .**
- **Part-time jobs are concentrated in**
 - **service sector industries like retail, hospitality and accommodation.**
 - **lower level occupations.**
- **Part-timers don't receive the training they should.**
- **Discrimination against part-timers, mothers.**



Policy Implications

- Improve the ‘quality’ of part-time jobs
 - Better access to training and career progression
 - Ability to move between full-time and part-time hours in same job