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Career Dynamics and Gender Gaps among Employees in the Microfinance Sector

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Outline

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I. Motivation

- MFI are commonly identified with the idea of empowering women not as passive recipients but as active leaders and key actors in generating social change

- Nevertheless, there is no clear evidence supporting the gender parity in the career paths of the employees of microfinance institutions (MFIs)

- This study is aimed at filling this gap, providing empirical evidence from the largest MFI in Latin America

Stylized Facts

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- Significant expansion of the microfinance sector in several developing countries in the past decades
- MFIs are an increasingly important employer and many of the commercially successful MFIs employ hundred of thousands of individuals (e.g., Grameen Bank employs 22,924 staff members, Bancosol employs 2,740 staff members)
- In several countries women represent a significant share of both clients and the workforce of MFIs (Mix Market 2016)

Research Questions

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- Are there gender gaps in the career paths within the MFI?
- Are there differences in earnings, promotion and exit across the divisions of the MFI (i.e., administrative vs. sales division)?
- How can we explain the observed gender differences?
- Are gender differences related to the types and outcomes of the clients themselves?

Preview of Findings

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- The dynamics of gender gaps are complex and vary within the largest MFI in Latin America
- Different factors have an impact on the dynamics of gender gaps at different stages of the career path
- We document the heterogeneity in gender gaps across the divisions of the MFI: in the administrative division gender gaps are more similar to the ones observed in the financial sector whereas in the division core to the microfinance sector a reversal of the gender gap is observed
- In terms of loan officers matching, we document that female employees tend to be associated with those loans that have better conditions and consequently a higher expected probability of repayment

II. Background

I] MFIs and Women's Employment

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- Most of the studies on gender employment in MFI come from the business literature and from NGOs and other organizations promoting female empowerment and leadership
- While 'breaking the glass ceiling' has become an important corporate objective in many economic sectors, there appears to exist an opposite trend in the MFI sector, where female leadership has diminished in recent years (HBR, 2011)
- Nevertheless, Strøm, D'Espallier and Mersland (2014) find a causal relation between female leadership and performance of MFIs, which is mainly driven by the female market orientation of MFIs and not by better governance
- There is no paper to our knowledge that provides an explanation for this trend and examines its micro-foundations

Why should new business models be gender-friendly employers?

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- The business case for gender equality is widely documented by both academic research and corporate studies (e.g., Catalyst, 2007: McKenzie, 2007; Dezso and Ross, 2008; Adams and Ferreira, 2009)
- For the case of new business models that pursue both social impact and financial returns, the case is based on the fact that:
  - Women tend to have a comparative advantage in the specific skills of the non-profit sector (Lanslord et al., 2010)
  - Generating deep social change and gender empowerment requires women to be seen as leaders and active drivers of development (WWB, 2010)
- MFI female staff may understand better how to pursue this goal forward:
  - Women understand better the female market segment and clients tend to feel more comfortable with female staff (WWB, 2012)
  - Market recognition as a gender diverse organization attracts new clients, as it serves as a differentiation tool (WWB, 2010)

II] Gender Gaps in Career Dynamics

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- Women's underperformance in the corporate and financial sectors has been widely documented in the existing literature (e.g., Babcock and Laschever, 2003; Bertrand, Chugh and Mullainathan, 2005; Bertrand et al., 2010)
- Most of the existing studies have examined gender differences in compensation while only a few more recent ones have examined career trajectories
- However, there is no study at present that has documented gender gaps among employees in the microfinance sector

III] Clients – Loan Officers and Loan Outcomes

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- Gender differences have been examined in various fields in financial economics (e.g., investment decisions, equity analyst performance, corporate financial decisions, corporate boards, and mutual fund management) with mixed evidence on performance and behavioral differences between men and women
- Beck et al. (2013) examine gender-dependent loan officers performance by relying on a dataset of a commercial bank in Albania over 1996 – 2006 to assess the relationship between borrowers' and loan officers' gender and loan performance

III. Data

The Microfinance Institution

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- It is the largest MFI in Mexico, the largest in Latin America and is ranked among the top global leaders (IDB, 2012; Devex, 2012; Mix Market, 2016).
  - Serves 3.2 million clients (88% are women)
  - Has a gross loan portfolio of USD 1.3 billion
  - Average loan balance per borrower of USD 500
  - Share of Non Performing Loans (NPL) of 2.96%
- It has 16,972 employees (among these, 9,423 loan officers) working in 667 offices nationwide
- It started as an NGO in 1990, issued debt in the capital markets for the first time in 2001 and became a commercial bank in 2006

Dataset

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- Individual-year-level panel dataset based on human resource records of the bank that includes the universe of employees working in the MFI from 2004-2012
- Our analytical sample includes individual-level annual data on almost 30,000 employees
- The employee-year-level data include information such as age, gender, education, position, wage, social benefits, division and location; gender of the immediate supervisor and head of division; domicile, civil status and children; entry date and maternity leave
- We linked these employees in 2012 to 336,000 clients and 341,000 loans
- We examine the career dynamics in the 28 areas of practice in the administrative and sales divisions within the MFI, as well as the career paths of loan officers within the sales division

Career Trajectory in Selected Areas of Practice

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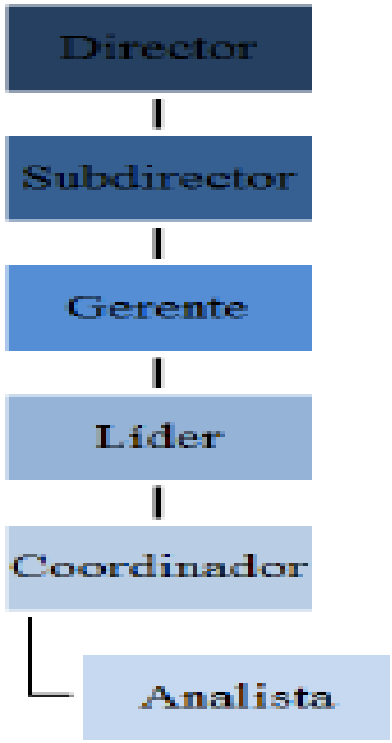
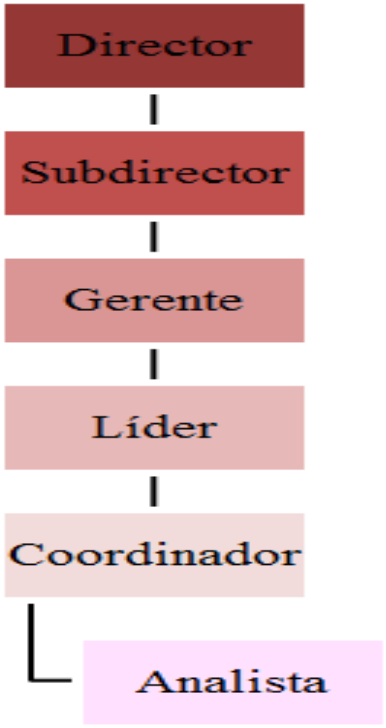
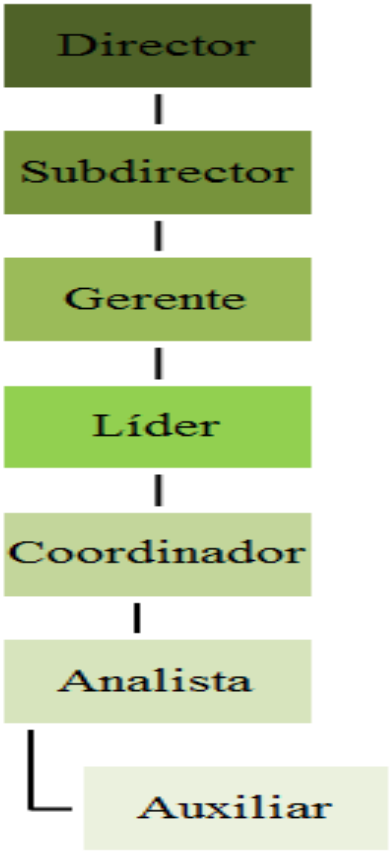
Corporate Strategy



Finance

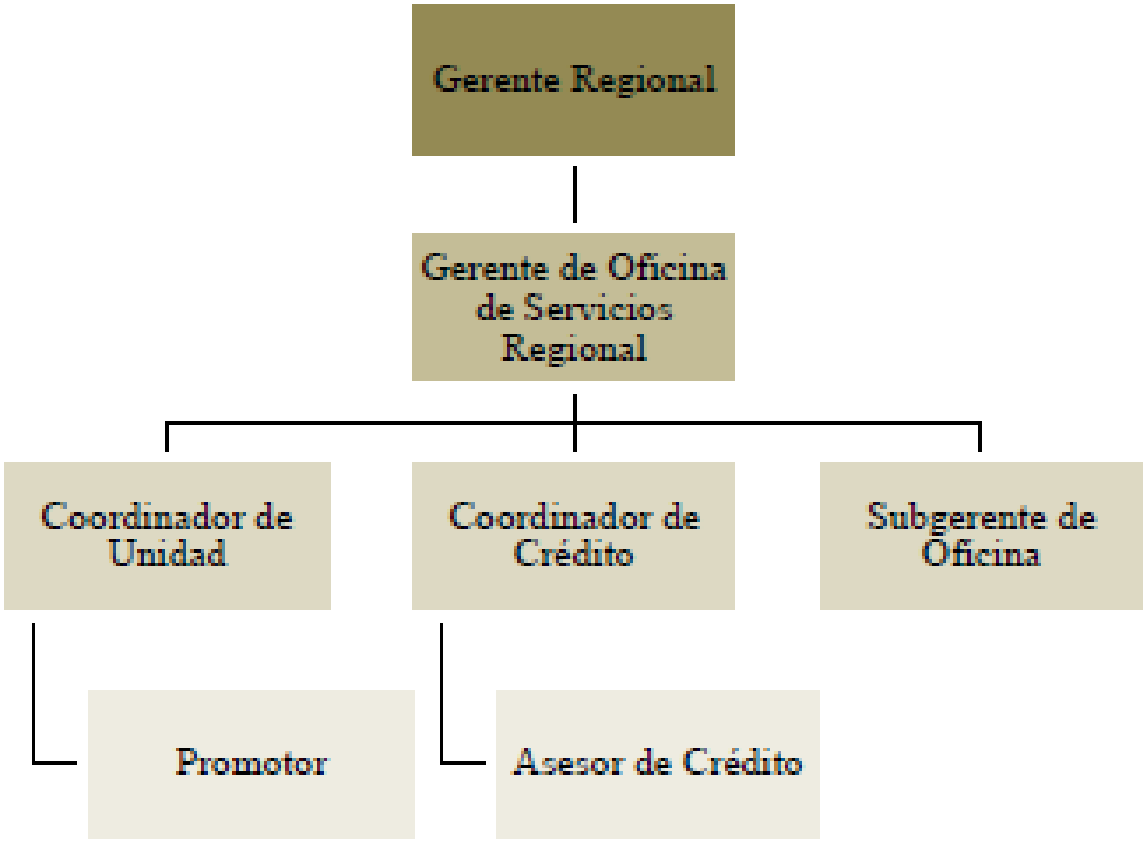


Marketing



Note: 'Director'= director; 'Subdirector'= deputy director; 'Gerente'= manager; 'Líder'= head; 'Coordinador'= coordinator; 'Analista'= analyst; 'Auxiliar'= assistant

Career Trajectory in Sales



Note: 'Gerente regional'= regional manager; 'Gerente de oficina de servicios regional'= manager of the branches that provide services at the regional level; Coordinador'= coordinator; 'Subgerente de oficina'= deputy manager;'Promotor/Asesor'= loan officer

IV. Descriptive Statistics

Share Female by Position (*Administrative*), 2012

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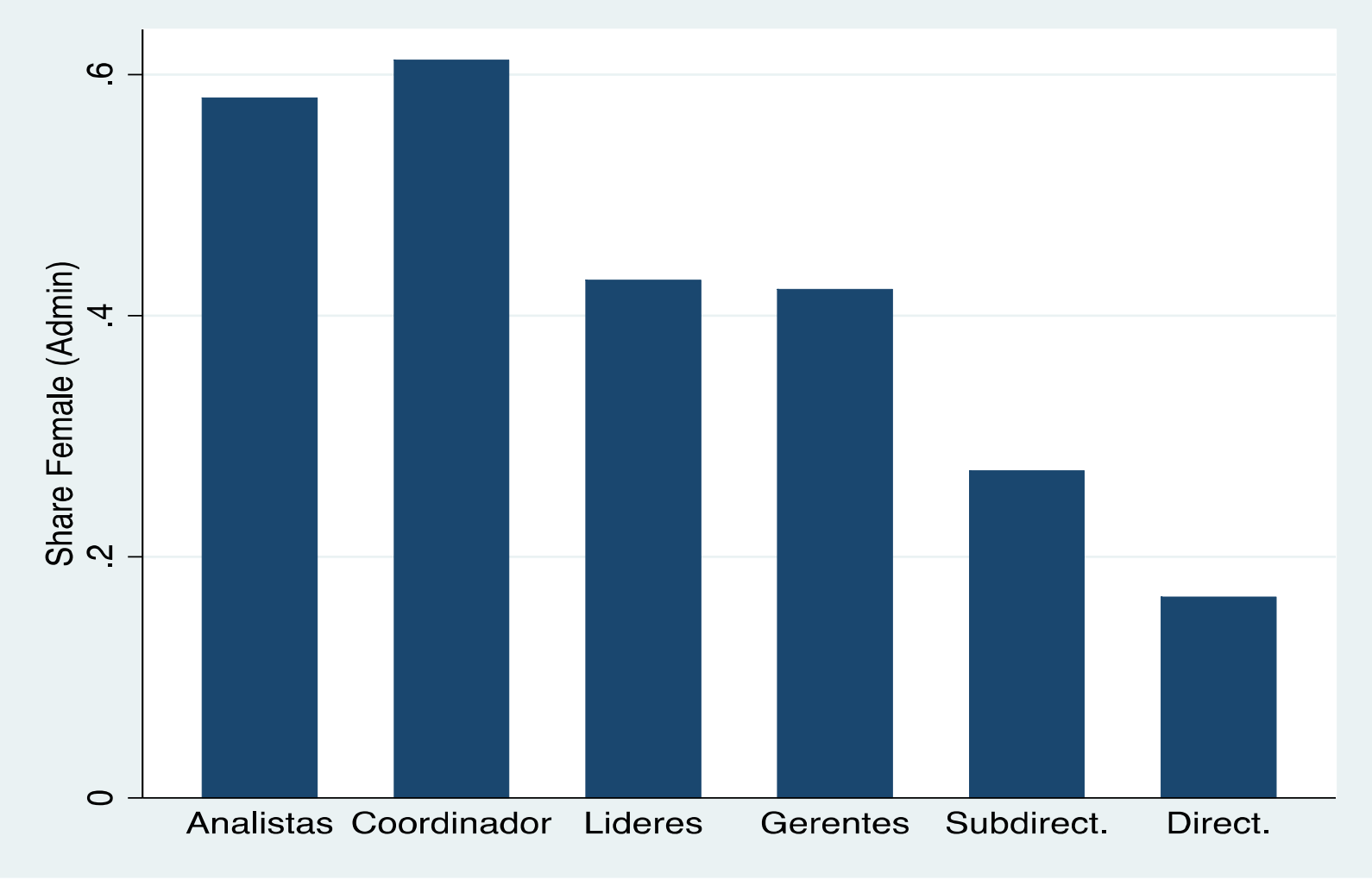
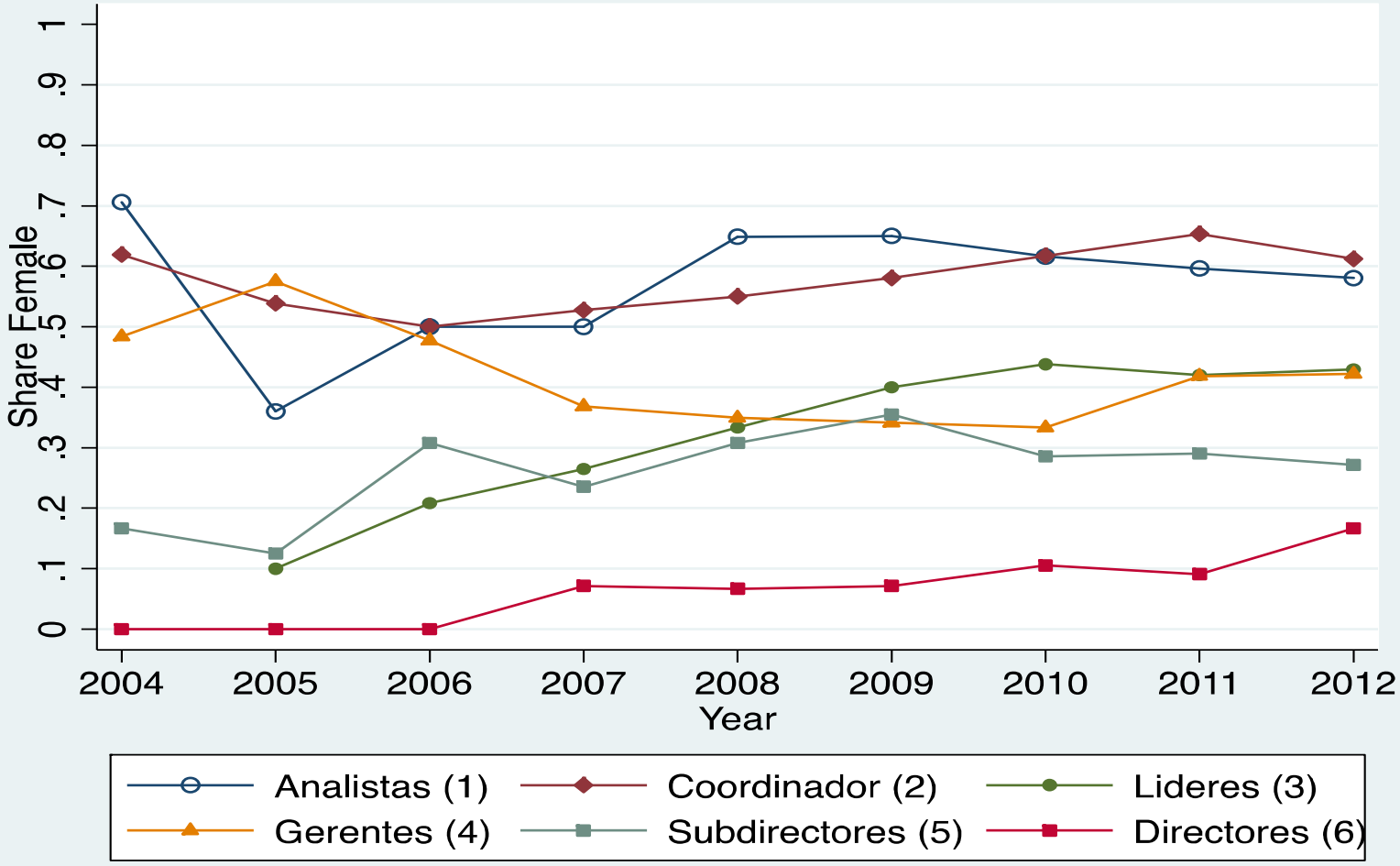


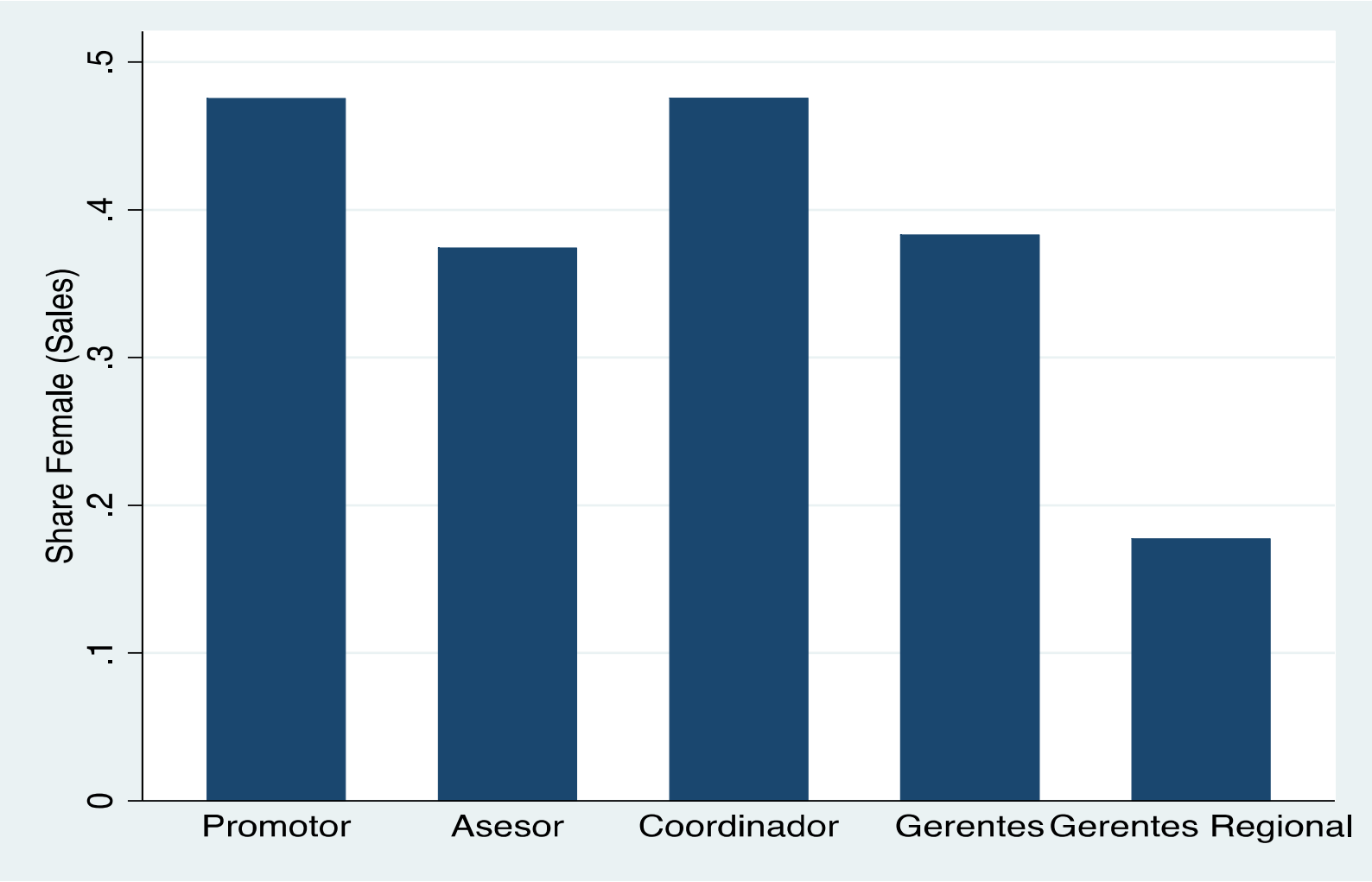
Share Female by Position (*Administrative*), 2004-2012

Center for International Development at Harvard University



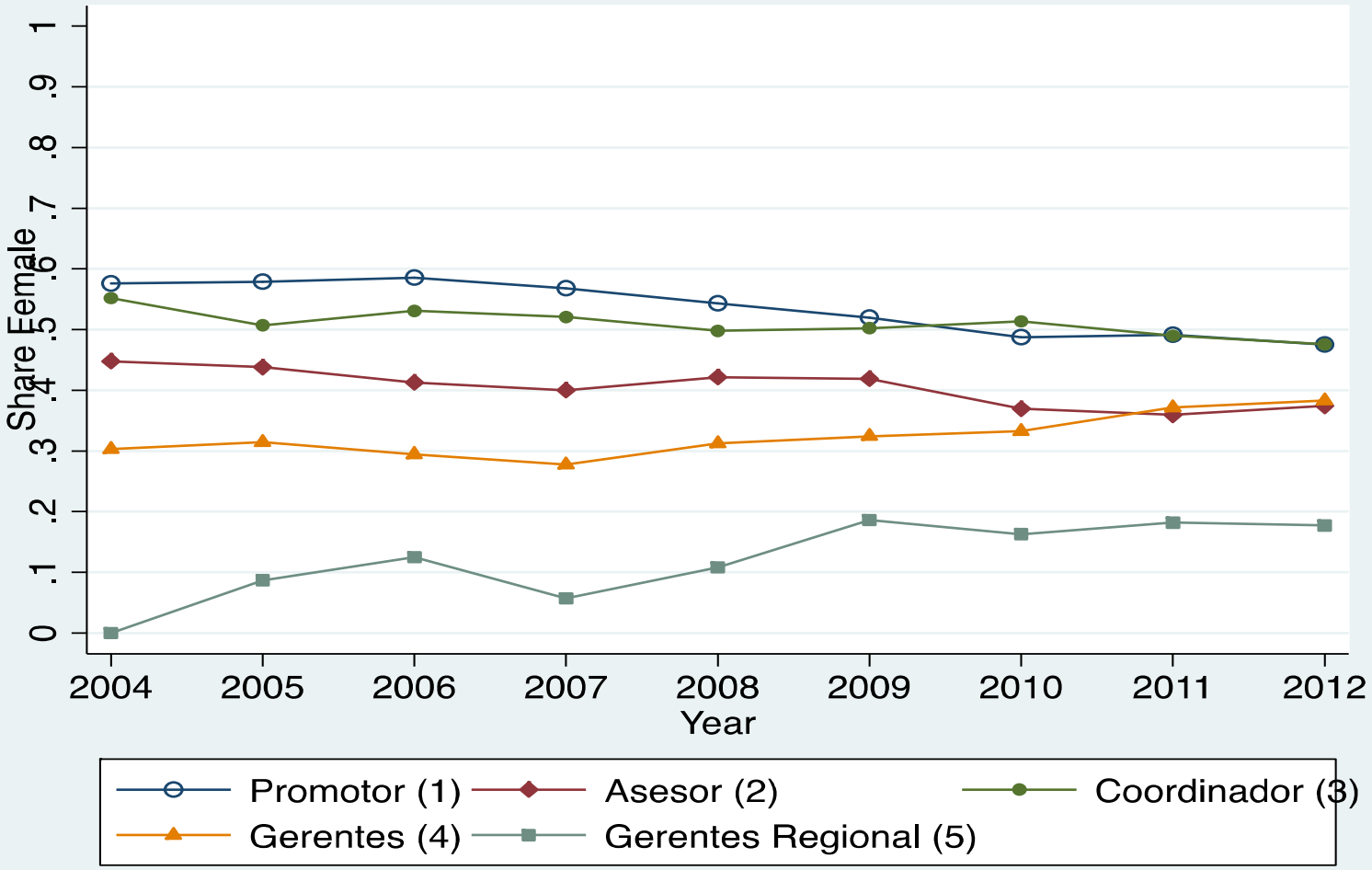
Share Female by Position (*Sales*), 2012

Center for International Development at Harvard University



Share Female by Position (*Sales*), 2004-2012

Center for International Development at Harvard University



Share Female by Position (*Sales – Loan Officers (Promotor, Asesor)*), 2012

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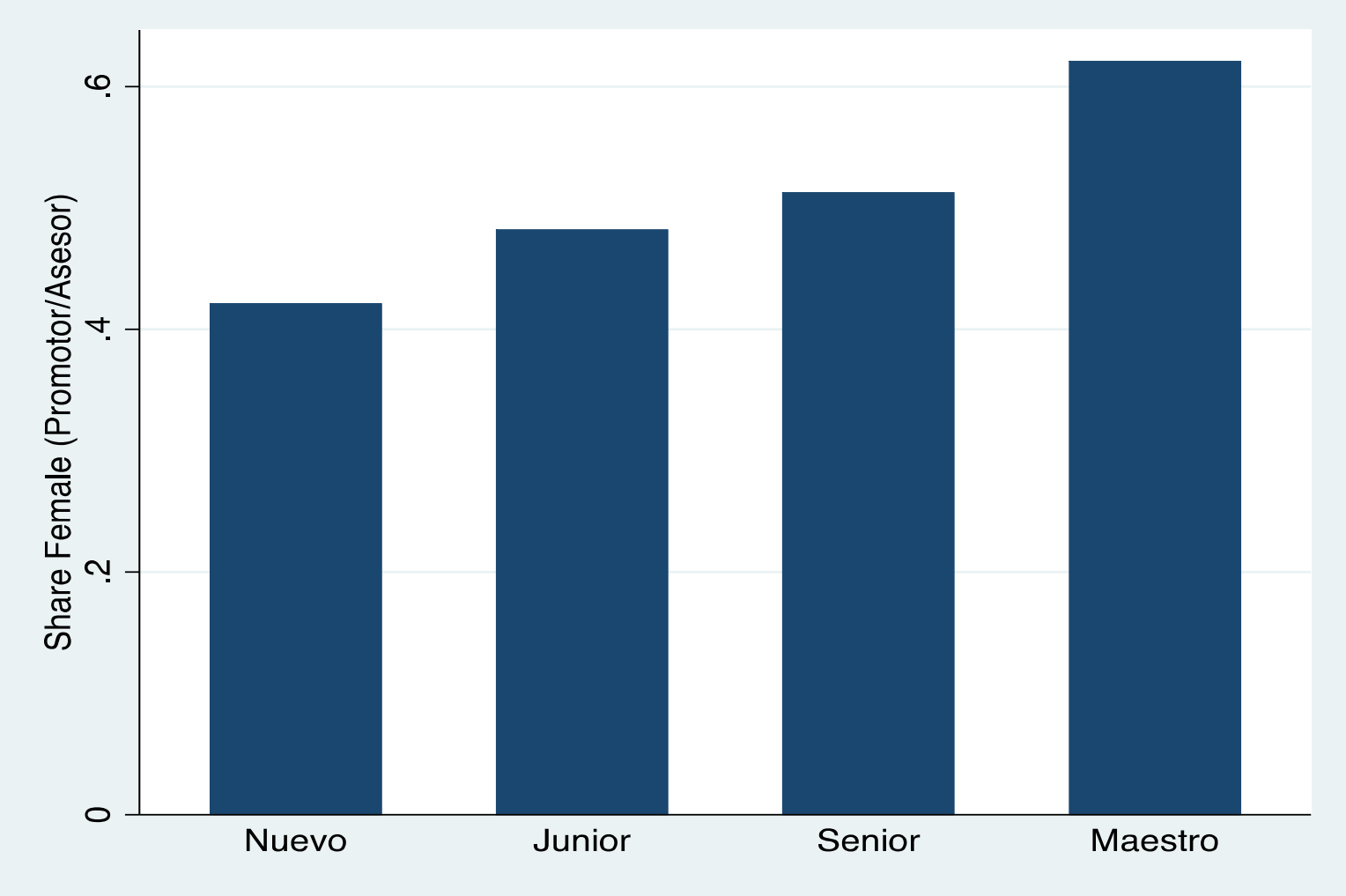

Share Female by Position (*Sales – Loan Officers (Promotor, Asesor)*), 2004-2012

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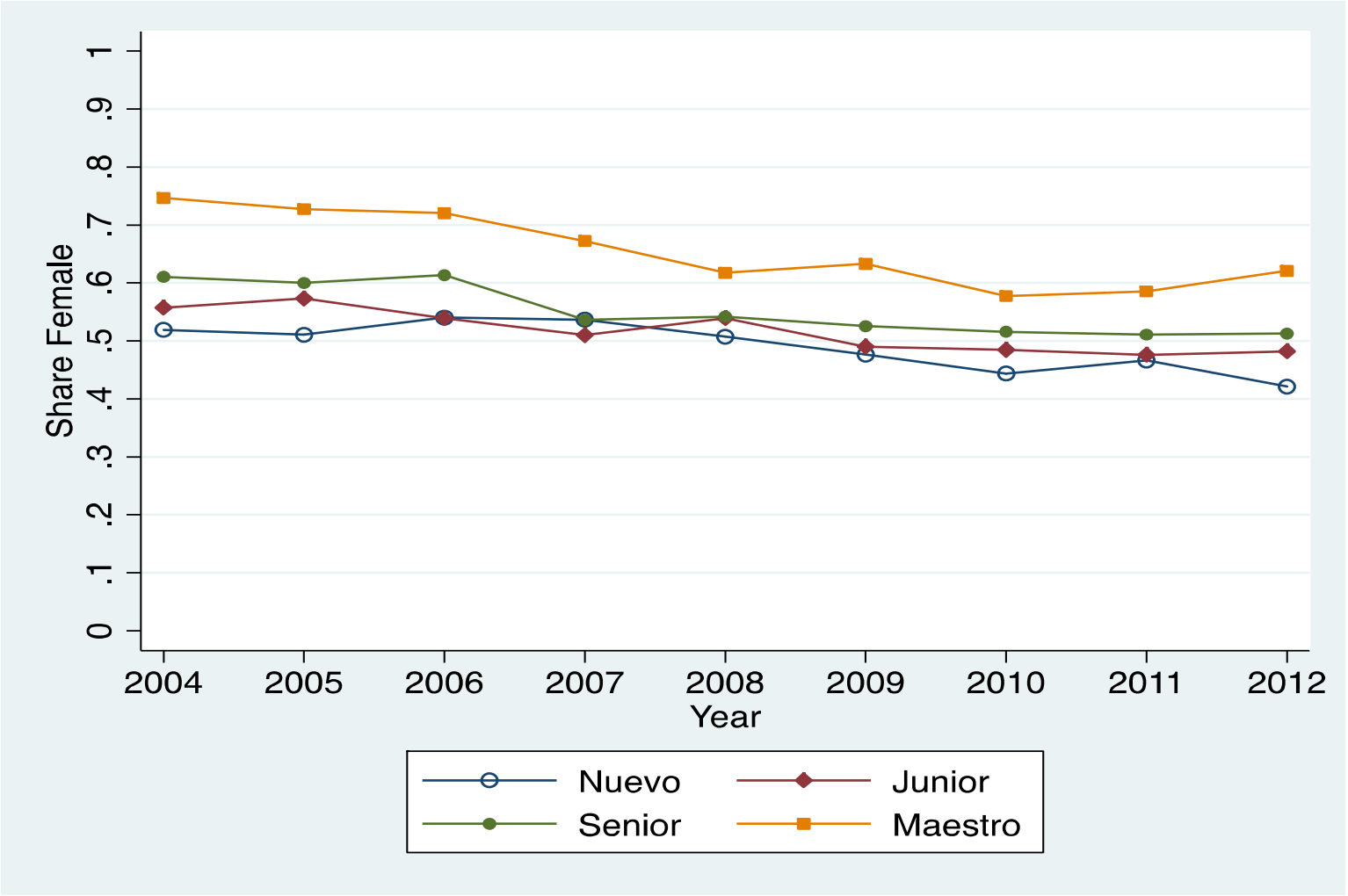

V. Career Dynamics Analysis

Promotion, Exit

We estimate the following probit model for individual *i* in year *t*:

$$Pr(Promoted_{it+1}) =$$

$$\Phi(\beta_0 + \beta_1 Female_i + \beta_2 Age_{it} + \beta_3 Age_{it}^2 + \beta_4 Tenure_{it} + \beta_5 Tenure_{it}^2 + \beta_7 X_i + \gamma_t)$$

Where:
Female = dummy for a female employee
Age = measured in years
Tenure = years in the firm
X = vector of other variables included in different specifications (e.g., highest degree obtained, gender of the employee's boss)
y = time dummies

Note: robust standard errors clustered at the person-level; urban dummy and areas of practice dummies

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Transition matrices

- For *administrative*:
  - More women promoted to next level from Analista, Lider, Gerente and Subdirector
  - More women exit at Analista, Gerente, fewer at Lider
- For *sales:*
  - Fewer women promoted to Coordinador, Gerente, Gerente Regional
  - High rates of exit at all levels, slightly higher among men
- For *sales – Promotor/Asesor levels:*
  - Similar pattern, more women promoted to top rank
  - High rates of exit at all levels, slightly higher among men

Promotion, Exit: Transition Matrices

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Administrative

Men

	Analistas	Coord.	Lideres	Gerentes	Subdirect.	Direct.	Exit	N
Analistas	68.23	27.60	0.00	0.52	0.00	0	3.65	192
Coord.	0.00	66.67	15.60	10.74	0.00	0.19	7.03	327
Lideres	0.00	0.36	75.09	16.97	0.36	0	7.22	277
Gerentes	0.00	0.00	1.32	84.82	7.26	0.3	6.6	303
Subdirect.	0.00	0.93	0.00	0.00	87.97	5.26	6.77	133
Direct.	0.00	0.00	0.00	0.00	0.00	98.99	1.01	99
N	131	272	263	340	140	105	80	1331

Women

	Analistas	Coord.	Lideres	Gerentes	Subdirect.	Direct.	Exit	N
Analistas	63.08	28.32	0.36	1.08	0.00	0.00	7.17	279
Coord.	0.44	72.55	5.03	4.14	0.00	0.00	7.84	459
Lideres	0.00	0.54	76.88	17.20	0.00	0.00	5.38	186
Gerentes	0.00	5.00	0.00	82.41	9.05	0.49	8.04	199
Subdirect.	0.00	0.00	0.00	0.00	86.79	7.55	5.66	53
Direct.	0.00	0.00	0.00	0.00	0.00	100.00	0.00	7
N	178	609	213	218	64	11	85	1183

Promotion, Exit: Transition Matrices

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Sales

Men

	Promotor	Asesor	Coord.	Gerentes	Gerentes Reg.	Exit	N
Promotor	60.88	2.78	14.02	0.13	0.00	22.19	7630
Asesor	5.15	57.22	15.38	1.07	0.00	21.17	1398
Coordinador	1.51	0.97	66.41	8.20	0.00	22.92	1658
Gerentes	0.00	0.00	0.19	69.55	10.51	19.75	1028
Gerentes Reg.	0.00	0.00	0.00	5.49	79.12	15.38	182
N	4742	1028	2388	886	252	2600	11896

Women

	Promotor	Asesor	Coord.	Gerentes	Gerentes Reg.	Exit	N
Promotor	66.61	1.64	12.02	0.04	0.00	19.69	8913
Asesor	6.94	58.25	13.88	0.91	0.00	20.02	994
Coordinador	1.94	0.32	72.25	5.95	0.00	19.51	1881
Gerentes	0.00	0.19	0.39	77.46	4.24	17.73	519
Gerentes Reg.	0.00	0.00	0.00	7.41	77.78	14.81	27
N	6043	732	2570	529	43	2417	12334

Promotion, Exit: Transition Matrices

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Sales: Promotor/Asesor Levels

Men

	Nuevo	Junior	Senior	Maestro	Exit	N
New	16.06	39.38	19.58	0.22	24.75	5110
Junior	3.33	17.68	39.79	18.09	21.12	2456
Senior	2.97	0.52	18.97	57.81	19.74	1234
Master	2.81	1.93	0.53	75.40	19.33	836
N	680	1750	1544	1195	1525	6694

Women

	Nuevo	Junior	Senior	Maestro	Exit	N
New	15.69	40.00	21.96	0.32	22.03	3785
Junior	0.29	14.92	39.31	22.86	20.62	1964
Senior	1.73	0.91	16.16	63.62	17.58	984
Master	1.70	1.04	0.95	78.07	18.24	1058
N	674	1827	1772	1913	1605	7791

Probability of Promotion

- For *administrative*: no gender difference after controlling for individual characteristics, area of practice, rank and time trends
- For *sales:* gap favoring men of 2% persists after including controls
- For *sales – promotor/asesor levels:* gap favoring women of 4-5% persists after including controls

Probability of Exit

- For *administratitive:* no significant difference by gender
- For *sales:* women are about 4% less likely to leave after controlling for covariates
- For *sales – promotor/asesor levels:* women are about 4% less likely to leave after controlling for covariates

Table 5. Promotion Regressions, Administrative Division

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Promote							
Female	0.0177*	-0.0107	-0.0125	0.0558**	-0.0197	-0.0162	-0.0229
	(0.00906)	(0.0134)	(0.0131)	(0.0279)	(0.0192)	(0.0226)	(0.0155)
Age			-0.0109	0.0151	-0.0141	-0.0170	-0.0111
			(0.0107)	(0.00951)	(0.0114)	(0.0167)	(0.0107)
Age2			0.000151	-0.000150	0.000198	0.000278	0.000155
			(0.000159)	(0.000136)	(0.000168)	(0.000244)	(0.000158)
Tenure			0.0202***	-0.0172***	0.0180**	0.0300**	0.0199***
			(0.00741)	(0.00504)	(0.00780)	(0.0131)	(0.00746)
Tenure2			-0.00103	0.000871*	-0.000774	-0.00220	-0.000986
			(0.000863)	(0.000464)	(0.000902)	(0.00175)	(0.000870)
Headquarters			0.135***	-0.0769***	0.121***	0.212	0.134***
			(0.0391)	(0.0271)	(0.0414)	(0.144)	(0.0391)
Female x Coordinador				-0.0503			
				(0.0348)			
Female x Lideres				-0.111***			
				(0.0389)			
Female x Gerentes				-0.0583			
				(0.0382)			
Female x Subdirectores				-0.0452			
				(0.0560)			
Female Immediate Boss					-0.0122		
					(0.0231)		
Female x Female Immediate Boss					0.0323		
					(0.0305)		
Female Superior Boss					0.0128		
					(0.0280)		
Female x Female Sup. Boss					-0.0361		
					(0.0348)		
Number of Children						-0.0268	
						(0.0202)	
Female x No. Children						-0.00968	
						(0.0512)	
Married							-0.0172
							(0.0205)
Female x Married							0.0344
							(0.0281)
Rank Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Direction (Area) Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3,950	2,751	2,735	2,745	2,470	1,176	2,735

Notes: *** p<0.01, ** p<0.05, * p<0.1, Robust standard errors clustered by individual are in parentheses.

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Table 6. Promotion Regressions, Sales Division

	(1)	(2)	(3)	(4)	(5)	(7)	(8)
Promote							
Female	-0.00966***	-0.0188***	-0.0237***	-0.0220***	-0.0247***	-0.0238***	-0.0298***
	(0.00222)	(0.00307)	(0.00317)	(0.00368)	(0.00432)	(0.00500)	(0.00409)
Urban		0.0114***	0.0149***	0.0148***	0.0141***	0.0150***	0.0146***
		(0.00396)	(0.00400)	(0.00400)	(0.00519)	(0.00427)	(0.00401)
Age			0.0229***	0.0229***	0.0218***	0.0247***	0.0236***
			(0.00279)	(0.00280)	(0.00380)	(0.00313)	(0.00282)
Age2			-0.000357***	-0.000358***	-0.000344***	-0.000383***	-0.000365***
			(4.62e-05)	(4.64e-05)	(6.29e-05)	(5.19e-05)	(4.65e-05)
Tenure			0.0453***	0.0452***	0.0611***	0.0487***	0.0452***
			(0.00419)	(0.00414)	(0.00455)	(0.00453)	(0.00420)
Tenure2			-0.00539***	-0.00532***	-0.00728***	-0.00561***	-0.00540***
			(0.000905)	(0.000895)	(0.00110)	(0.000992)	(0.000908)
Female x Asesor				0.00493			
				(0.0105)			
Female x Coordinador				-0.00326			
				(0.0112)			
Female x Gerentes				-0.0585***			
				(0.0182)			
Female Immediate Boss						-0.0107**	
						(0.00477)	
Female x Female Immediate Boss						0.000459	
						(0.00679)	
Female Superior Boss						0.000146	
						(0.00520)	
Female x Female Superior Boss						0.00465	
						(0.00739)	
Married							-0.0111**
							(0.00446)
Female x Married							0.0139**
							(0.00641)
Highest Degree Dummies	No	No	No	No	Yes	No	No
Rank Dummies	No	Yes	Yes	Yes	Yes	Yes	Yes
Direction Dummies	No	Yes	Yes	Yes	Yes	Yes	Yes
Yr Dummies	No	Yes	Yes	Yes	Yes	Yes	Yes
Observations	49,001	37,048	37,048	37,048	20,963	32,941	37,028

Notes: *** p<0.01, ** p<0.05, * p<0.1, Robust standard errors clustered by individual are in parentheses.

Table 7. Promotion Regressions, Promotor/Asesor

	(1)	(2)	(3)	(4)	(5)	(6)
Promote						
Female	0.0362***	0.0307***	0.0443***	0.0467***	0.0279***	0.0448***
	(0.00384)	(0.00506)	(0.00534)	(0.00702)	(0.00880)	(0.00682)
Urban		-0.000710	-0.0143**	-0.00492	-0.0120	-0.0140**
		(0.00670)	(0.00703)	(0.00893)	(0.00741)	(0.00704)
Age			-0.000911	-0.00553	-3.22e-05	-0.000897
			(0.00407)	(0.00544)	(0.00425)	(0.00409)
Age2			1.30e-05	7.57e-05	-5.53e-06	1.33e-05
			(6.72e-05)	(8.97e-05)	(7.01e-05)	(6.73e-05)
Tenure			-0.0562***	-0.0482***	-0.0578***	-0.0564***
			(0.0112)	(0.0183)	(0.0125)	(0.0112)
Tenure2			-0.0119***	-0.0202**	-0.0121**	-0.0119***
			(0.00437)	(0.00894)	(0.00496)	(0.00436)
Female Immediate Boss					-0.00749	
					(0.00817)	
Female x Female Immediate Boss					0.0327***	
					(0.0114)	
Female Superior Boss					0.00661	
					(0.00878)	
Female x Female Superior Boss					-0.00691	
					(0.0122)	
Married						4.91e-05
						(0.00793)
Female x Married						-0.00102
						(0.0110)
Highest Degree Dummies	No	No	No	Yes	No	No
Rank Dummies	No	Yes	Yes	Yes	Yes	Yes
Direction (Area) Dummies	No	Yes	Yes	Yes	Yes	Yes
Year Dummies	Ni	Yes	Yes	Yes	Yes	Yes
Observations	39,009	29,638	29,638	17,614	26,714	29,622

Notes: *** p<0.01, ** p<0.05, * p<0.1, Robust standard errors clustered by individual are in parentheses.

Table 8. Exit Regressions

	Administrative		Sales		Promotor/Asesor	
Exit	(1)	(2)	(3)	(4)	(5)	(6)
Female	0.00263	0.0558**	-0.0418***	-0.0442***	-0.0421***	-0.0435***
	(0.0118)	(0.0279)	(0.00490)	(0.00574)	(0.00554)	(0.00586)
Headquarters	-0.0760***	-0.0769***				
	(0.0268)	(0.0271)				
Age	0.0150	0.0151	-0.00993***	-0.0101***	-0.0109***	-0.0110***
	(0.00959)	(0.00951)	(0.00359)	(0.00360)	(0.00408)	(0.00408)
Age2	-0.000149	-0.000150	0.000140**	0.000143**	0.000140**	0.000142**
	(0.000137)	(0.000136)	(5.83e-05)	(5.84e-05)	(6.72e-05)	(6.73e-05)
Tenure	-0.0175***	-0.0172***	-0.0521***	-0.0521***	-0.0627***	-0.0627***
	(0.00505)	(0.00504)	(0.00367)	(0.00364)	(0.00478)	(0.00478)
Tenure2	0.000883*	0.000871*	0.00353***	0.00349***	0.00482***	0.00482***
	(0.000466)	(0.000464)	(0.000575)	(0.000569)	(0.00100)	(0.00100)
Female x Coordinador		-0.0503				
		(0.0348)				
Female x Lideres		-0.111***				
		(0.0389)				
Female x Gerentes		-0.0583				
		(0.0382)				
Female x Subdirectores		-0.0452				
		(0.0560)				
Urban			0.00382	0.00380	0.00328	0.00326
			(0.00635)	(0.00635)	(0.00724)	(0.00724)
Female x Asesor				0.0137		0.0128
				(0.0175)		(0.0178)
Female x Coordinador				-0.00406		
				(0.0138)		
Female x Gerentes				0.0303		
				(0.0235)		
Female x Gerentes Reg.				0.148		
				(0.0957)		
Rank Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Direction (Area) Dummies	No	Yes	No	Yes	No	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	2,752	2,745	37,335	37,335	29,646	29,646

Notes: *** p<0.01, ** p<0.05, * p<0.1, Robust standard errors clustered by individual are in parentheses.

Earnings Analysis

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We estimate the following OLS model for individual *i* in year *t*:

$$ln(wage)_{it} = \beta_0 + \beta_1 Female_i + \beta_2 Age_{it} + \beta_3 Age_{it}^2 + \beta_4 Tenure_{it} + \beta_5 Tenure_{it}^2 +$$

$$\beta_7 X_i + \gamma_t$$

Where:
Female = dummy for a female employee
Age = measured in years
Tenure = years in the firm
X = vector of other variables included in different specifications (e.g., highest degree obtained, gender of the employee's boss)
y = time dummies

Note: robust standard errors clustered at the person-level; urban dummy, areas of practice dummies

Center for International Development at Harvard University

Earnings

- For *administrative*: gap favoring men of 3% driven by larger differences at higher ranks
- For *sales:* wage differences disappear after including controls
- For *sales – promotor/asesor levels:* gap favoring women of about 5% persists after including controls

Table 9. Wage Regressions

		Administrative	
ln(wage)	(1)	(2)	(3)
Female	-0.405***	-0.0280***	-0.0153
	(0.0322)	(0.00745)	(0.0123)
Headquarters		0.111***	0.111***
		(0.0172)	(0.0171)
Age		0.0132**	0.0127**
		(0.00612)	(0.00577)
Age2		-8.37e-05	-7.52e-05
		(8.97e-05)	(8.41e-05)
Tenure		0.00994**	0.0108**
		(0.00438)	(0.00436)
Tenure2		7.53e-05	2.89e-05
		(0.000473)	(0.000472)
Female x Coordinador			-0.0127
			(0.0179)
Female x Lideres			-0.00335
			(0.0177)
Female x Gerentes			0.00361
			(0.0232)
Female x Subdirectores			-0.111***
			(0.0375)
Female x Directores			-0.277***
			(0.0684)
Constant	7.327***	6.547***	6.518***
	(0.0303)	(0.109)	(0.106)
Rank Dummies	No	Yes	Yes
Area Dummies	No	Yes	Yes
Year Dummies	No	Yes	Yes
Observations	12,833	3,950	3,950

Notes: *** p<0.01, ** p<0.05, * p<0.1,
Robust standard errors clustered by individual are in parentheses.

Table 9. Wage Regressions (cont'd)

		Sales			Promotor/Asesor	
ln(wage)	(4)	(5)	(6)	(7)	(8)	(9)
Female	-0.0609***	-0.00203	0.00827***	0.00628*	0.00432***	0.00457***
	(0.00736)	(0.00184)	(0.00157)	(0.00321)	(0.00158)	(0.00154)
Headquarters						
Age		0.0105***	0.0106***		0.00749***	0.00750***
		(0.00131)	(0.00130)		(0.00113)	(0.00113)
Age2		-0.000126***	-0.000127***		-9.17e-05***	-9.19e-05***
		(2.18e-05)	(2.16e-05)		(1.90e-05)	(1.90e-05)
Tenure		0.105***	0.105***		0.137***	0.137***
		(0.00335)	(0.00324)		(0.00405)	(0.00405)
Tenure2		-0.00776***	-0.00765***		-0.0113***	-0.0113***
		(0.000620)	(0.000604)		(0.00104)	(0.00104)
Urban		0.151***	0.151***		0.162***	0.162***
		(0.00225)	(0.00225)		(0.00201)	(0.00202)
Female x Asesor			-0.00265			-0.00232
			(0.00694)			(0.00694)
Female x Coordinador			-0.0546***			
			(0.00772)			
Female x Gerentes			-0.0462***			
			(0.0124)			
Female x Gerentes Reg.			-0.0277			
			(0.0329)			
Constant	6.462***	5.404***	5.422***	6.262***	5.720***	5.720***
	(0.00574)	(0.0203)	(0.0212)	(0.00227)	(0.0300)	(0.0300)
Rank Dummies	No	Yes	Yes	No	Yes	Yes
Area Dummies	No	Yes	Yes	No	Yes	Yes
Year Dummies	No	Yes	Yes	No	Yes	Yes
Observations	49,707	49,001	49,001	39,009	39,009	39,009

Notes: *** p<0.01, ** p<0.05, * p<0.1, Robust standard errors clustered by individual are in parentheses.

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VI. Loan Officers – Clients Analysis

Loan Officers and Clients Analysis
I] Assortative Matching

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We run the following regression for loan officer ('Promotor' or 'Asesor') *i* and client *j*:

$$Female\ Officer_i = \beta_0 + \beta_1 Female\ Client_j + \beta_2 X_{ij} + \epsilon_{ij}$$

Where:
Female Client = dummy for a female client
X = vector of covariates including sales level ('Nuevo', 'Junior', 'Senior', 'Maestro')

Note: urban dummy, state dummies and product dummies

I] Assortative Matching

Center for International Development at Harvard University

Table 10. Matching of Loan Officers and Clients

	Promotor		Asesor	
Female Officer	(1)	(2)	(3)	(4)
Female Client	0.0149***	0.00471	0.0218**	0.0179**
	(0.00513)	(0.00508)	(0.00885)	(0.00897)
Headquarters		-0.0184**		0.0611***
		(0.00717)		(0.0145)
Constant	0.432***	0.753***	0.366***	1.018***
	(0.00427)	(0.0244)	(0.00695)	(0.0587)
Sales Level Dummies	No	Yes	No	Yes
State Dummies	No	Yes	No	Yes
Product Dummies	No	Yes	No	Yes
Observations	43,926	43,926	12,745	11,071

Notes: *** p<0.01, ** p<0.05, * p<0.1, Robust standard errors are in parentheses.
Estimation is by OLS. Dependent variable is a dummy for whether a loan officer is female.

Loan Officers and Clients Analysis
II] Credit Outcomes

Center for International Development at Harvard University

We run the following regression for loan officer ('Promotor' or 'Asesor') *i* and client *j*:

$$Loan\ Outcome_{ij} = \beta_0 + \beta_1 Female\ Officer_i * Female\ Client_j + \beta_2 Female\ Officer_i * Male\ Client_j + \beta_3 Male\ Officer_i * Male\ Client_j + \beta_4 X_{ij} + \epsilon_{ij}$$

Where:
Female (Male) Officer = dummy for a female (male) loan officer
Female (Male) Client = dummy for a female (male) client
X = vector of covariates including sales level ('Nuevo', 'Junior', 'Senior', 'Maestro')

Note: urban dummy, state dummies and product dummies; omitted category: male officer – female client

II] Credit Outcomes

Center for International Development at Harvard University

Table 11. Loan Officer – Client Gender and Loans

	Promotor				Asesor	
	Female Products		Mixed Gender Products		Mixed Gender Products	
	(1)	(2)	(3)	(4)	(5)	(6)
	Interest (Inferred)	Previous Loans	Interest (Inferred)	Previous Loans	Interest (Inferred)	Previous Loans
Female Officer *(Male Officer)*	-0.00761***	0.220***				
	(0.000936)	(0.0273)				
Female Officer - Female Client *(Male Officer - Female Client)*			-0.000518	0.109**	-0.0797**	0.0388
			(0.000472)	(0.0477)	(0.0393)	(0.129)
Female Officer - Male Client			-0.000513	-2.036***	0.00208	-2.831***
			(0.000611)	(0.0390)	(0.0440)	(0.0972)
Male Officer - Male Client			-0.00185***	-2.096***	0.126***	-2.855***
			(0.000572)	(0.0378)	(0.0339)	(0.0889)
Urban	0.00372***	-1.130***	0.00258***	0.109**	0.0188	-0.315***
	(0.00140)	(0.0398)	(0.000543)	(0.0475)	(0.0471)	(0.111)
Constant	0.0514***	11.27***	1.442***	3.208***	1.940***	3.649***
	(0.00424)	(0.149)	(0.00210)	(0.209)	(0.0769)	(0.616)
Observations	284,561	284,561	43,926	43,926	11,071	11,071

Notes: *** p<0.01, ** p<0.05, * p<0.1, Robust standard errors are in parentheses. Sales level dummies, state dummies and product dummies are included

VII. Concluding Remarks

Summary of the Main Findings

Center for International Development at Harvard University

- We document important differences within the MFI by career path in the nature of gender gaps and their dynamics
- In the 'back-office': similar dynamics as in the corporate and financial sectors vs. in the 'front-office': gender gap has reversed but only at the lower ranks of the organization
- Analysis of client data matched to loan officers provides mixed evidence in terms of assortative matching and relationship between loan outcomes and gender pairs of borrower and loan officer

Contribution

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- This is the first study that examines gender gaps in earnings and career dynamics in the microfinance sector
- We provide evidence on the micro-foundations of gender gaps in the largest MFI in Latin America
- We document the complex dynamics of gender gaps in job mobility and earnings
- Future agenda: more research is needed to understand the determinants of women's empowerment on the employer side of the microfinance sector and how organizations in this sector change with development