

The
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Bosses and fatherhood

Of corner offices and cribs

When your boss has a baby, watch your wallet

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NEW parents are annoying. They think you want to hear about every gurgle and baby-step. But it could be worse. When your boss has a sprog, watch your wallet.

A study to be published next month in *Administrative Science Quarterly* looks at what happens to workers' pay when a male boss has a child. Researchers tracked salaries at every firm in Denmark with more than ten employees between 1996 and 2006. (They confined themselves to male bosses partly because the sample of female bosses was too small.)

Male bosses, it turns out, pay themselves significantly more once they become fathers. Even after controlling for factors such as age, length of tenure and the performance of the firm, the study found that bosses with daughters pay themselves 3.5% more than childless ones. If they have a son, that increases to a hefty 6.4%. David Ross of Columbia Business School, one of the authors, says all fathers feel a duty to support their families. For grunts this means working harder.



I love you more than my underlings

Bosses have the more agreeable option of raising their own wages.

This is bad news for underlings. That extra money comes out of workers' pockets, the study finds. Staff employed by a father are typically paid less. The amount depends on such things as the sex of the baby and whether it is his first child. Male employees bear the brunt: if the boss's child is a son, for example, they can expect 0.5% less salary than if he hadn't reproduced.

Female staff fare better. After their boss's first child, they can expect to be paid a little more. Mr Ross speculates that this might be because, having seen their wives go through childbirth, they start to respect women more. Alas, such goodwill doesn't last. Once the boss has a second child, female workers' wages are likely to fall, just like men's.

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