

US firms' evaluation of employee credentials in international business

Mary Lou Egan, Marc Bendick, Jr, and John J. Miller

Abstract This paper updates a 1991 survey of salaries and careers among US-based international business professionals and managers. These employees typically offer a high level of both international and functional qualifications, implying that aspiring workers need substantial credentials to compete in this market. International credentials directly increase salaries only modestly, suggesting a rough balance of supply and demand for these qualifications. Larger salary premiums are commanded by functional specialties utilizing new information technology. Comparisons of the 1999 and 1991 surveys document partial convergence in employers' treatment of men and women but remaining 'glass ceiling' barriers to women's advancement.

Keywords Women's salaries; career paths; gender discrimination; international management

This is the second paper within a longitudinal examination of the internationalization of the US economy through the lens of professional and managerial careers and salaries. In 1988, US international trade, defined in real terms as exports plus imports of goods and services, represented 17.8 per cent of US gross domestic product, but, by 1998, this ratio had increased to 29.2 per cent (US Department of Commerce, 1999). Current dollar estimates of the world-wide gross product of US multinational corporations (parents and majority-owned foreign affiliates combined) increased at an annual rate of 5.8 per cent between 1989 and 1997, to \$2,090 billion (Mataloni, 1999). Because of this steady internationalization, managerial and professional expertise in international business is increasingly a key ingredient in the success of US firms (Bartlett and Ghoshal, 1992, 1997; Prahalad, 1990; Tung and Miller, 1990).

The previous survey in this series (Egan and Bendick, 1994) began with the hypothesis that employers would reflect this important role with substantial salary premiums for international qualifications. Contrary to this expectation, that study found few differences between domestic and international compensation, and we concluded that many American firms' human resource practices were not evolving fast enough for these firms to compete effectively in global markets. Our present survey makes clearer that these firms' practices are adapting to meet that need, but adopting a particular approach: rather than treating 'international' as a separate functional field, these employers encompass it within traditional functional categories. In the present paper, we suggest that this combination is an appropriate approach to meeting firms' international needs, reflecting a rough balance of supply and demand for employees' international qualifications.

Mary Lou Egan and Marc Bendick, Jr, Bendick and Egan Economic Consultants, Inc., 4411 Westover Place NW, Washington, DC 20016, USA; John J. Miller, George Mason University, Fairfax, VA, USA.

The first part of this paper discusses our research methodology and profiles the respondents to the surveys on which our findings are based. The next sections analyse salaries and career paths, including differences between these for men and women. The final section draws some implications from our findings for individuals' career planning.

Methodology

In 1999, we distributed a structured career and salary questionnaire, to be completed anonymously, to all members of the Organization of Women in International Trade (OWIT), a US-centred international professional association of men and women in international careers. This questionnaire was essentially the same as that used in our previous survey of this group in 1991, and, as in the earlier survey, each OWIT member respondent was asked to enlist a respondent of the opposite sex in a career position equivalent to his or her own. However, while the 1991 survey was distributed by mailing questionnaires to potential respondents, 1999's potential respondents were directed by e-mail messages to a questionnaire mounted on the organization's web site; hard copies of the questionnaire were mailed to members who did not have access to the Internet. By this method, 363 responses were received in 1999 (286 from the Internet and seventy-seven in hard copy), from respondents in twenty-three different states.

This procedure cannot be assumed to generate a sample that is randomly representative of all US personnel employed in international careers. However, it offers one of the few broad samples currently available of these important economic agents.

A profile of respondents

Tables 1 through 3 provide a profile of 1991 and 1999 survey respondents. According to Table 1, in both years, male and female respondents shared very similar characteristics. The modal respondent of each sex was a hard working, well-credentialed, career-committed professional in early mid-career, employed in a larger, for-profit, firm. In both years, the largest single group of respondents was in analysis-based occupations, such as financial analyst. For respondents in both years, international duties accounted for about 80 per cent of their work time. The 1999 respondents' salaries averaged \$67,080 for females and \$75,254 for males, putting women respondents among the top 5.8 per cent of female earners and male respondents among the top 7.4 per cent of male earners in the United States (US Census Bureau, 1999: 481).

Given these similarities between male and female respondents' characteristics, it is not surprising that each group held similar career goals and employs similar career management techniques. More than half of both female and male respondents in both years reported using such traditional strategies for career advancement as forming relationships with mentors, using personal networks to find employment opportunities, participating in employers' 'fast track' programmes and switching employers to accelerate their progress (see Table 2). This high level of investment in strategic career management was consistent with their long-term professional ambitions, which are substantial (see Table 3). In both years, a greater proportion of respondents of both sexes gave priority to career advancement or financial success over personal flexibility or family-related activities. According to Table 1, in 1999, women respondents to the survey expected to earn an average of \$174,617 at the peak of their careers, more than two and a half times their current already-high earnings; the comparable figure for men responding to the survey is \$223,113. Such strong commitment to financial goals is consistent with the fact that slightly more than half of the respondents (51.8 per cent of

Table 1 *Profile of respondents, by gender, 1999 and 1991*

	1999			1991		
	Females (n=303)	Males (n=60)	Differences (F-M)	Females (n=349)	Males (n=165)	Differences (F-M)
<i>A Personal characteristics</i>						
Average age (years)	35.8	36.6	-0.8	35.9	36.0	-0.1
Native-born US citizens	82.8%	90.0%	-7.2%	91.7%	90.3%	1.4%
Racial/ethnic minority	16.5%	6.7%	9.8%	8.4%	11.7%	-3.3%
<i>B General professional preparation</i>						
Education						
<College graduate	5.6%	1.7%	3.9%	15.5%	7.9%	7.6%
College graduate	34.3%	28.3%	6.0%	33.2%	29.7%	3.5%
Graduate degree	60.1%	70.0%	-9.9%	51.3%	62.5%	-11.2%*
Highest degree is in business or law	57.2%	58.4%	-1.2%	53.0%	62.5%	-9.5%*
Highest degree is from 'prestige' school	37.8%	40.7%	-2.9%	23.2%	30.5%	-7.3%
Years of experience						
All professional	12.1	12.8	-0.7	0.6	12.0	11.8
International	9.0	8.9	0.1	7.9	8.3	-0.4
<i>C Specialized international preparation</i>						
Highest degree had international focus	68.4%	63.3%	5.1%	53.2%	43.2%	10.0%*
Can speak one or more languages in addition to English	66.3%	53.3%	13.0%	50.7%	48.8%	1.9%
Have lived overseas	71.4%	65.0%	6.4%	53.6%	47.3%	6.3%
Deliberately sought international employment	62.6%	59.6%	3.0%	48.3%	42.3%	6.0%
<i>D Current position</i>						
Occupation†						
Analyst	46.5%	46.7%	-0.2%	32.9%	29.3%	3.6%
Lawyer	6.6	15.0	-8.4	14.1	19.5	-5.4
Ex-im	14.5	6.7	7.8	11.6	15.8	-4.2
Sales	4.0	5.0	-1.0	7.8	10.4	-2.6
Manager	11.6	11.7	-0.1	12.4	9.1	-3.3
Banker	3.3	3.3	0.0	2.9	1.8	-1.1
Lobbyist	5.6	5.0	0.6	6.6	4.3	2.3
Other	7.9	6.7	1.2	11.7	9.8	1.9
Number of persons supervised	3.0	2.9	0.1	5.1	7.1	-2.0
% time spent internationally	80.0%	74.8%	5.2%	77.9%	80.0%	-2.1%
International travel days per year	14.5	16.3	-1.8	9.5	15.0	-5.5
Employed in private sector	72.1%	68.3%	3.8%	71.9%	65.3%	6.6%
Employer has >100 employees	67.1%	58.6%	8.5%	63.4%	66.3%	2.9%
Annual salary						
average	\$67,080	\$75,254	-\$8,174	\$54,771	\$63,673	-\$8,902
% >\$100,000	15.8%	23.7%	-7.9%	5.4%	14.1%	-8.7%**
Expected top annual salary	\$174,617	\$223,113	-\$48,496	\$184,340	\$217,894	-\$33,554

Notes

* Difference statistically significant at the .05 level.

** Difference statistically significant at the .01 level.

† Occupations are defined in footnotes to Table 4.

Table 2 Strategies for career advancement, by gender, 1999 and 1991

	1999			1991		
	Females (n = 303)	Males (n = 60)	Differences (F-M)	Females (n = 349)	Males (n = 165)	Differences (F-M)
Ever been designated 'fast track'?	58.7%	58.3%	0.4%	57.5%	53.7%	3.8%
Had mentor(s)	73.0%	70.0%	3.0%	75.6%	72.0%	3.6%
Found present job via networking or personal contacts	59.4%	54.5%	4.9%	63.4%	64.2%	-0.8%
Negotiated for salary	44.4%	49.2%	-4.8%	47.0%	41.4%	-5.6%
Move that most advanced career involved switching employer	52.4%	55.2%	-2.8%	50.4%	44.6%	5.8%
Average years between change of employers	3.6	4.3	-0.7	4.2	4.0	0.2

Notes

* Difference statistically significant at the .05 level.

** Difference statistically significant at the .01 level.

Table 3 Indicators of career commitment, by gender, 1999 and 1991

	1999			1991		
	Females (n = 303)	Males (n = 60)	Differences (F-M)	Females (n = 349)	Males (n = 165)	Differences (F-M)
Priority long-term goal						
Career/financial	63.3%	76.4%	-12.8%	67.3%	73.2%	-5.9%
Flexibility/family	49.5%	48.8%	0.7%	32.7%	26.8%	5.9%
Average hours per work-week	49.5	48.8	0.7	47.0	49.0	-2.0
Are primary or sole earner in household	51.8%	46.7%	5.1%	54.5%	63.6%	9.1%*
Ever constrained career for spouse?	26.0%	19.1%	6.9%	20.3%	9.5%	10.8%**

Notes

* Difference statistically significant at the .05 level.

** Difference statistically significant at the .01 level.

women and 46.7 per cent of men in 1999) were the primary or sole earners in their households.

In spite of these strong similarities between respondents in 1991 and 1999, there are several important differences. One is that, since 1991, the average level of respondents' formal professional qualifications has increased (see Table 1). For example, a greater proportion of 1999 respondents held graduate degrees (61.7 per cent) than their counterparts in 1991 (54.9 per cent), and a greater proportion of these degrees were from 'prestige' schools. A second difference is that a greater proportion of 1999 respondents had an explicitly international focus not only to their highest degrees (67.6 per cent of respondents in 1999, compared to 50 per cent in 1991) but in other career qualifications as well. A greater proportion of 1999 respondents had personal international experience (70.3 per cent in 1999, compared to 51.6 per cent in 1991, had lived

outside the United States) and foreign language skills (64.1 per cent in 1999, compared to 50.1 per cent in 1991). This international orientation carries through to career plans: 62.1 per cent of respondents in 1999 reported deliberately seeking international careers, in comparison to 46.4 per cent of respondents in 1991.

Salaries in functional occupational fields

Table 4 profiles respondents' average annual salaries in 1999, classified by location, sector and years of experience. Although 1991 data are not shown in Table 4, two patterns from 1991 were repeated in 1999. First, high cost of living areas (such as New York City, San Francisco and Washington, DC) continued to pay more than other locations. Second, average salaries continued to vary among occupations and sectors,

Table 4 Average annual salaries (including bonuses), by location, sector and experience, 1999

Occupation	Location (HC = high cost)*	Sector**	Years of experience	Annual salaries (in \$000s)		
				Average	Minimum	Maximum
Lawyer	HC	Public	All	\$78.3	\$33	\$170
	HC	Private	All	72.3	25	140
Manager	HC	Public	All	65.7	32	90
		Private	<10	48.4	25	110
			11-30+	65.7	27.5	180
			All	56.6	25	180
Analyst***	Not HC	Private	All	57.2	30	125
	HC	Public	<5	65.8	41.5	100
			5-10	70.2	27	160
			11-30+	59.3	31	145
			All	65.1	27	160
	HC	Private	<5	70.9	29	200
			5-10	71.9	28.7	175
			11-30+	67	28	175
			All	69.9	28	200
	Not HC	Public	All	62.1	40	140
Lobbyist	Not HC	Private	All	66.2	30	160
	HC	Private	All	67	45	110
Ex-im†	HC	Private	<10	87	30	150
			11-30+	71	33	170
			All	82.7	30	170
Ex-im	Not HC	Private	All	59.1	30	90
Sales‡	HC	Private	All	68.3	29	135
Banker	All	Private	All	65	39	120

Notes

* 'HC' = Los Angeles, San Francisco, New York City and Washington.

** 'Public sector' includes federal and state US government, governments of other nations, multinational organizations, and non-profit organizations.

*** 'Analyst' includes trade analyst, policy analyst, management analyst, economist, accountant.

† 'Ex-im' includes customs brokers, freight forwarders and others engaged in the international movement of goods.

‡ 'Sales' includes sales representatives, buying agents and others engaged in the international sales of goods.

with lawyers ranking among the top three highest paid occupations in both 1991 and 1999.

However, in comparison to the first survey, 1999 data indicated several changes in salary patterns that reflected major changes in the American economy over the decade of the 1990s. These changes appear to be associated with the emergence of the 'new economy', in which information technology continues to revolutionize many aspects of firms' operations.

One way these changes reveal themselves is in the relative salaries commanded by different occupations, especially the occupations identified in Table 4 as analyst and 'ex-im'. The surveys defined 'ex-im' as occupations focusing on the movement of goods, supplier relationships and related logistics functions. Similarly, the surveys defined 'analyst' as occupations emphasizing qualitative or quantitative manipulation of information (for example, trade policy analyst or economist). Table 4 presents average salaries in 1999 for seven occupations, separately (to the extent that data permit) by sector (public or private) and location (high cost or not). In 1991, the average ex-im salary ranked ninth out of twelve categories (twelve being the lowest), but, by 1999, ex-im had risen to first place, with an average annual salary of \$82,700 for private-sector respondents working in high cost of living locations.

This increase in average ex-im salaries reflects a dramatic change in the field of logistics. Since the previous survey, the application of information technology to ex-im activities has resulted in a sharp increase in demand for professionals able to apply the latest information technology to manage globalization, integrate supply chains, link logistics to corporate financial performance and incorporate e-commerce (LaLonde and Pohlen, 1999). The rapid increase in salaries in our survey is found more broadly across the logistics profession. According to a 1999 survey of logistics executives, compensation at all executive levels increased between 1997 and 1999 at a double-digit rate (LaLonde and Pohlen, 1999: 6; see also Cooper and Gilmore, 1998).

A second way in which our 1999 survey reflects the emergence of the 'new economy' is in dramatically changing relationships between salaries and experience. For many years, most studies of salaries have shown a general pattern of salaries that are higher for workers with more years of experience than for less experienced employees. The results of our 1991 survey conformed to this traditional pattern. However, in our 1999 survey, a number of occupational groups displayed a very different 'age-income' profile. For example, the average salaries for analysts and ex-im workers with more than ten years of experience were *lower* than for those with less experience (see Table 4). This pattern probably does not literally mean that salaries of individuals decline as they acquire additional experience. However, it does mean that, like patterns found economy-wide, in the international field employers are having to pay more for high-demand technology skills that are often found disproportionately among those trained more recently (Gibson, 1999; Veneri, 1998; US GAO, 1998).

What is the pay-off to 'international' qualifications?

Table 5 shows that, in both 1991 and 1999, the career factors that had the greatest salary pay-offs for men and women clustered around advanced education, careful career management and hard work – patterns that are hardly unique to international careers. For 1999 respondents, the greatest pay-off resulted from getting a graduate degree (worth an average of \$10,219 in annual salary), using personal networks to find a job (\$7,539) and majoring in business or law (\$5,753). Working longer hours and travelling

Table 5 *Effect on annual salary of career preparation and career advancement techniques, 1999 and 1991*

Career techniques	1999		1991	
	Pay-off (\$)		Pay-off (\$)	
	All respondents		Females	Males
	(n = 363)		(n = 349)	(n = 165)
<i>General professional preparation</i>				
Get bachelor degree	\$6,747	1.1	\$9,000*	\$28,100
Get graduate degree	10,219	3.5	5,300	7,400
Major in business or law	5,753	2.2	4,100	5,600*
Get degree from 'prestige' school	1,500	0.5	-2,400*	11,500
Add one year of non-international experience	676	2.7	700*	1,600*
<i>Career advancement techniques</i>				
Do not constrain career for spouse	-3,050	0.9	\$1,700*	\$21,900*
Get designated for 'fast track' development	-3,398	1.3	200*	10,900
Work eight hours more per week	3,592	2.9	4,300**	7,300**
Negotiate for salary	3,243	0.2	3,500	-5,600
Use personal networks for job search	7,539	2.9	3,000	5,200*
Travel ten more days per year	1,670	3.1	6,300*	3,200
Work for large company	5,863	2.3		
Work in for-profit firm	10,504	3.5		
<i>Specialized international preparation</i>				
Major in international field	-4,474	1.5	-\$100	-\$13,400*
Have lived overseas	-1,555	0.5	-7,700*	9,200
Deliberately choose international work	-1,370	0.5	-4,200	5,300*
Speak language(s) in addition to English	-142	0.1	-5,100	2,600
Add one year of international experience	1,655	8.4	1,300	2,500*
Shift 20% of time from domestic to international work			-800	-2,100

Source: Based on a multiple regression analysis in which the dependent variable is annual salary and the independent variables are the variables in this table ($R^2 = .46$, $F = 10.2$, d.f. = 314)

Notes

* Coefficient statistically significant at the .05 level.

** Coefficient statistically significant at the .01 level.

more days per year also paid substantial returns, as did working for a large firm (\$5,863) and a for-profit organization (\$10,504).

Compared to these factors, 'international' preparation *per se* does not appear to offer strong pay-offs or the surest route to a corner office. On balance, being employed within an international field seems to have a modestly positive effect on individuals' careers. Among 1999 respondents, 55.9 per cent reported that working internationally had no effect on their careers, while 34.8 per cent reported that it had a positive effect and only 9.3 per cent said it had a negative effect. However, according to Table 5, the only specifically international credential with a statistically significant effect on annual salary is international experience: each year of additional international experience is associated with an additional \$1,655 in annual salary.¹ No substantial salary advantages were evident from such qualifications as majoring in an international field, living overseas, deliberately choosing international work or speaking languages other than English.

If such international skills do not pay off, why had 1999 survey respondents bothered to acquire an increasing level of international qualifications in comparison to 1991 respondents (see Tables 1 to 3)? One explanation is that employers do in fact reward international qualifications, particularly in terms of hiring persons for international positions. However, in this interpretation, they do not treat 'international' as a separate career path or functional field, but instead view it as a professional niche embedded within functional occupations. In this process, skills such as those derived from living abroad as a student or speaking another language *alone* are not likely to earn a person a raise, but they may still increase the probability of being hired, or of receiving a raise based on more traditional skills, such as those in banking or law. In other words, in the current labour market, employers are more likely to consider international skills *complements* to functional skills, not *substitutes* for them.

Consideration of the supply side of the labour market strengthens this interpretation. From this perspective, although international credentials may enhance workers' productivity in international work, employers are not experiencing shortages of workers who possess these credentials and therefore not be obligated to pay a premium to attract or hire workers with such skills. This interpretation is consistent with the lack of urgency with which 'globalization' was recently described by a sample of North American managers of multinational corporations (AMA, 1998). In a survey of 1,797 managers in twenty-six countries, North American managers ranked 'globalization and foreign markets' fifth out of seven (seven being the least important) current management issues facing corporate leadership. These managers reported financial issues (controlling costs), organizational competitiveness (customer service) and strategic goals and objectives as the top three current issues. Although these respondents saw globalization and foreign markets as the most important issue of the future, they did not rate it of high current importance. Our statistical findings suggest that they reflect a similar set of priorities in their compensation practices.

Are opportunities for women and men converging?

One of the most striking patterns observed in our 1991 study was substantial difference in employment outcomes for men and women. We estimated that the average woman responding to our survey, had she presented the same credentials but been a man, would have received an annual salary approximately 10 per cent higher than she actually did. The survey also documented that the same enhancement of qualifications that had positive pay-offs for men had smaller ones (or sometimes even negative ones) for their women professional peers. For example, working an additional eight hours a week increased the annual salary of male survey respondents by an average of \$7,300 but that of counterpart women by only \$4,300. Finally, the 1991 study documented the prevalence of stereotypes among decision makers in firms engaged in international business in which women in general are perceived to be less qualified than men for higher-level managerial and professional positions.

These same patterns – male–female differences in the pay-offs to credentials and gender-based differences in perceptions of women's and men's qualifications – continued in 1999, although to a somewhat attenuated extent. For example, in 1999, the average annual salary for women in our survey was \$67,080 and for men, \$75,254, a difference of 12.2 per cent of women's average salaries. In 1991, the equivalent difference was 16.3 per cent. When statistical adjustments are made for differences in the survey respondents' credentials, experience and skills, the difference in salaries

Table 6 *Perceptions of opportunities for women, by gender of respondent, 1999 and 1991*

Question	Female respondents			Male respondents		
	1999 (n=303)	1991 (n=349)	Change	1999 (n=60)	1991 (n=165)	Change
Compared to those for men, opportunities for women are:						
Better or equal	43.0%	29.4%	+13.6%	63.8%	61.4%	+2.4%
Somewhat worse	39.9	53.6	-13.7	32.8	33.1%	+0.3
Substantially worse	17.1	17.0	+0.1	3.4	5.5%	-2.1
Women are perceived as less qualified than men in:						
Interpersonal skills	15.3%	11.1%	+4.2%	6.9%	8.1%	-1.2%
Client relations	24.4	21.9	+2.5	19.3	10.6	+8.7
Technical skills	51.5	32.5	+19.0	33.9	22.4	+11.5
Management skills	46.7	37.1	+9.6	28.1	31.3	-3.2
Career commitment	51.9	55.1	-3.2	36.8	38.8	-2.0
Initiative/risk taking	54.1	60.4	-6.3	45.6	38.1	+7.5
If I were to leave my current employer, it would be to avoid barriers or change bosses	6.4%	13.3%	-6.9%	5.2%	6.7%	-1.5%
When I had a baby, I was perceived as [†]						
Less committed	60.3%	44.8%	+15.5%	23.5%	8.2%	+15.3%
More committed	8.2	1.0	+7.2	11.8	11.5	+0.3

Notes

* Difference statistically significant at the .05 level.

** Difference statistically significant at the .01 level.

† Asked only of respondents with children.

between men and women falls to 6 per cent in 1999 (a gap that was not statistically significant in a sample of our size), from a statistically significant 10 per cent in 1991.

In comparison to reductions in gender differences in pay-offs for women's credentials, progress is less clear in reducing male-female differences in how workers' skills and labour-market commitment are perceived (see Table 6). Overall, 1999 women respondents were more optimistic about opportunities for women compared to men than women respondents were in 1991. In 1999, 43 per cent of female respondents reported that opportunities for women were better or equal to those for men, compared to 29.4 per cent in 1991; the proportion of male respondents describing women's opportunities as equal to or better than men's stayed about the same between 1991 (61.4 per cent) and 1999 (63.8 per cent). A pattern in which women perceive male-female disadvantages in opportunities as greater than men perceive them to be is not unique to the international field.

Moreover, 1999 female respondents remained particularly less sanguine when reporting their opinions of how the market perceives women's managerial skills and career commitment. In both 1991 and 1999, a greater proportion of female respondents than male respondents reported that women were perceived as less qualified than men in terms of all six managerial skill areas examined in our survey. In fact, from 1991 to 1999, the proportion of females reporting that women are perceived as less qualified than men increased in four of the six categories, and the proportion of males reporting the same pattern increased in three categories (see Table 6). Another indicator of

employers' perceptions of career commitment is their perception of changes in commitment upon the birth of an employee's child. Here, women continued to experience a drop in perceived career commitment when they became a parent, but in 1999, that same pattern increasingly applied to men (23.5 per cent in 1999 from 8.2 per cent in 1991) as well as women (60.3 per cent in 1999 from 44.8 per cent in 1991).

To what extent do the gender patterns described in our surveys in international business mirror those in the wider economy? The narrowing of the salary gap in our surveys is consistent with a decrease in the gender wage gap in the broader economy reported by other research. For example, in 1979, women earned 63 cents for every dollar earned by men, a gap of 37 percentage points; by 1999, this gap had closed to 26 percentage points (Hartman *et al.*, 1999: 10). The reasons for this change include improvements in women's relative qualifications, a decline in men's real wages and a decline in the 'unexplained' portion of the pay gap, that which is usually attributed to discrimination (Blau, 1998: 9; Jacobs 1992; Stroh *et al.*, 1992). Current studies estimate the salary gap between equally qualified men and women to be between 6 and 13 percentage points (Altonji and Blank, 1998; Blau and Kahn, 1997; Stanley and Jarrell, 1998). Thus, the 6 per cent gap due to discrimination estimated in our study for managerial and professional employees in the field of international trade is similar to that prevailing in the US labour market as a whole.

These improvements are important, but what might encourage further progress towards elimination of the gender wage gap, especially the portion attributed to discrimination? Valian (1998: 2–3) hypothesizes that the gap will not be eliminated until we recognize how the evaluation of others' performance is influenced by unconscious beliefs concerning behaviours, traits and preferences specific to each gender (Gallois *et al.*, 1993; Northcraft and Gutek, 1993; Carli, 1990). These beliefs, or *gender schemas*, affect supervisors' expectations concerning male and female employees and their evaluations of these employees. In particular, supervisors (both male and female) tend to assume that individual employees carry the qualifications and attitudes that these schemas associate with the employee's gender; to reward an employee's behaviour that is consistent with the schemas' stereotypes; and to interpret deviations from stereotypes in distorted ways.

These schemas typically attribute to men characteristics often associated with business success, such as career commitment, leadership, initiative, risk taking and technical knowledge, while they attribute characteristics to women that are less linked to business success – such as a high degree of family commitment (Steinpreis *et al.*, 1999; Janoff-Bulman and Wade, 1996; Ohlott *et al.*, 1994; Morrison and Von Glinow, 1990). Under the influence of these schemas, men's performance and potential tends to be overrated and women's performance and potential underrated. Workplace behaviour that is rewarded in men – for example, assertiveness – is often evaluated negatively when it is exhibited by comparable women (Eagly and Karau, 1991). Different interpretations are sometimes placed on the same job performance according to gender. For example, successful performance that is attributed to ability when it is achieved by men is more likely to be attributed to hard work when it is achieved by women (Ruderman *et al.*, 1997).² In the contemporary American workforce, supervisors often see moderate success for women as compatible with their gender schema but a high level of success as incompatible (Greenhaus and Parasuraman, 1993). The overall consequence is often reinforcement of the 'glass ceiling' pattern in which women's rise within their organizations is capped at a lower level than for equally qualified men (Castro, 1998; US Department of Labor, 1995).

Implications for individuals' career management strategies

Four implications for career preparation and management can be drawn from the results of our two surveys.

The first implication is that the average level of qualifications among 1999 survey respondents – both their international qualifications and their functional ones – is now so high that aspiring entrants to this field will typically need substantial credentials to compete. Perhaps thirty years ago, competence in a foreign language or experience as an expatriate might have been sufficient to get a foot in the door of international business. Now it appears that a well-paid career in this field in the US labour market typically requires those sorts of credentials *plus* first-rate functional qualifications. In short, the field has matured to the point of being highly professionalized.

The second implication concerns the way that international credentials affect salary and career opportunities. Generally, these credentials pay off primarily by complementing other credentials rather than directly. Accordingly, when investing in formal credentials, students should consider international training as complements to functional fields rather than as a primary emphasis. For example, if a person pursues an MBA, she or he might wish to choose a functional major (such as finance, information technology or marketing) with complementary courses in the international aspects of that functional area, rather than majoring in international business *per se*.³

The third implication of our findings is that, in international business just as in other business and professional fields, a person who wants to end up in a high-salary job needs to be strategic in his or her career choices, because some career moves pay off much more than others. In particular, working for a large, for-profit company has a greater salary pay-off than working for a non-profit or small firm. Substantial pay-offs also are likely for obtaining a graduate degree, especially in law or business, working longer hours, using personal networks to find a job and negotiating for one's salary. And, although employers of international business persons are willing to pay for both domestic and international experience, the average pay-off for international experience is about twice that for domestic experience.

The fourth and final set of implications concerns gender differences in employment opportunities and strategies for dealing with employment situations in which one's career is being hampered by them. Our evidence suggests that gender-based attitudes concerning women's management skills and career commitment are slow to change. When this reluctance to change is combined with the fact that even small differences in treatment can have a major cumulative effect on career development, then waiting for 'things to change' in a particular job or firm can be a costly career strategy both in terms of lost salary and missed opportunities for career growth (Cole and Singer, 1991). Since international business has been and will likely continue to be a field within the American economy in which women have broad scope for advancement, individuals should actively seek out those firms that utilize fully their considerable qualifications and not hesitate to move from firms where their opportunities are unfairly restricted.

Acknowledgements

This paper was supported in part with funding from the Organization of Women in International Trade, the Coalition of Employment through Exports and the Sara Lee Corporation. Mary Alexander, Maria Cameron, Melissa Coyle, Marcia Miceli and Phil Wherry provided invaluable ideas and support. The authors, however, are solely responsible for all findings and conclusions.

Notes

- 1 In 1999, we calculated pay-offs for international qualifications for men and women together. Our 1991 sample was larger and therefore permitted analysis of the two groups separately. That separate analysis suggests a complex interaction between credentials and gender that, had our 1999 sample been large enough to permit a similar analysis, might well have been revealed to still prevail. In 1991, the pay-off to women for international preparedness was sometimes negative, but rarely was this the case for men (except for majoring in an international field). Thus, the advice to emphasize functional credentials over international ones may be particularly important for women.
- 2 The influence of these gender schemas may be further compounded because men hold a disproportionate share of many decision-making positions in US corporations. In 1999, women represented only 11.9 per cent of corporate officers (1,386 out of 11,681) in the United States' 500 largest companies and held only 5.1 per cent of 'clout' titles (those that wield the most influence and policy-making power, including chairman, chief executive officer, vice chairman, president, chief operating officer, senior executive vice president and executive vice president). The number of women top earners increased from twenty-nine women (1.2 per cent of all top earners) in 1995 to seventy-seven (2.2 per cent) in 1999 (Catalyst, 1999). However, as noted in the text, both men and women in decision-making positions may be influenced by gender schemas.
- 3 A corollary of this principle is that, because of the convergence between international and domestic careers, preparation for almost any career in US business today should include an international component even if the student is not specifically targeting an international career.

References

- Altonji, J. and Blank, R. (1998) *Race and Gender in the Labor Market*. Chicago: Northwestern University Institute for Policy Research and Department of Economics.
- AMA (1998) *AMA Global Survey on Key Business Issues*. New York: American Management Association International.
- Bartlett, C. and Ghoshal, S. (1992) 'What Is a Global Manager?', *Harvard Business Review*, 70: 124-32.
- Bartlett, C. and Ghoshal, S. (1997) 'The Myth of the Generic Manager: New Personal Competencies for New Management Roles', *California Management Review*, 40(1): 92-116.
- Blau, F. (1998) 'Women's Economic Well-Being, 1970-1995: Indicators and Trends', *Focus*, 20: 4-10.
- Blau, F. and Kahn, L. (1997) 'Swimming Upstream: Trends in the Gender Wage Differential in the 1980's', *Journal of Labor Economics*, 15(1): 1-42.
- Carli, L. (1990) 'Gender, Language, and Influence', *Journal of Personality and Social Psychology*, 59: 941-51.
- Castro, L. (1998) *Equal Pay: A Thirty Five Year Perspective*. Washington: US Department of Labor.
- Catalyst (1999) 'Infobrief: 1999 Catalyst Census of Women Corporate Officers and Top Earners', available: <http://www.Catalystwomen.Org> [15 November 1999].
- Cole, J. and Singer, B. (1991) 'A Theory of Limited Differences: Explaining the Productivity Puzzle in Science'. In Zuckerman, H., Cole, J. and Bruer, J. (eds) *The Outer Circle: Women in the Scientific Community*. New York: Norton.
- Cooper, M. and Gilmore, N. (1998) '1998 Career Patterns of Women in Logistics', Council of Logistics Management. Available: <http://www.cml1/Org> [28 November 1999].
- Eagly, A. and Karau, S. (1991) 'Gender and the Emergence of Leaders: A Meta-Analysis', *Journal of Personality and Social Psychology*, 60: 685-710.

- Egan, M. and Bendick, Jr, M. (1994) 'International Business Careers in the United States: Salaries, Advancement and Male-Female Differences', *International Journal of Human Resource Management*, 5(1): 33-50.
- Gallois, C., Callan, V. and Palmer J. (1993) 'The Influence of Applicant Communication Style and Interviewer Characteristics on Hiring Decisions', *Journal of Applied Social Psychology*, 22: 1041-60.
- Gibson, A. (1999) 'Hot Jobs in Information Technology', *Career World*, 27(5): 29-32.
- Greenhaus, J. and Parasuraman, S. (1993) 'Job Performance Attributions and Career Advancement Prospects: An Examination of Gender and Race Effect', *Organizational Behavior and Human Decision Processes*, 55: 273-97.
- Hartmann, H., Allen, K. and Owens, C. (1999) *Equal Pay for Working Families*. Washington, DC: AFL-CIO and the Institute for Women's Policy Research.
- Jacobs, J. (1992) 'Women's Entry into Management: Trends in Earnings, Authority, and Values among Salaried Managers', *Administrative Science Quarterly*, 37: 282-301.
- Janoff-Bulman, R. and Wade, M. (1996) 'The Dilemma of Self Advocacy for Women: Another Case of Blaming the Victim?', *Journal of Social and Clinical Psychology*, 15(2): 143-52.
- La Londe, B. and Pohlen, T. (1999) 'Survey of Career Patterns 1999', Council of Logistics Management. Available: <http://www.Clm1.Org/Survey/1999/1999.asp> [2 November 1999].
- Mataloni, R. (1999) 'U.S. Multinational Companies: Operations in 1997', *Survey of Current Business* (July). Available: <http://www.Bea.Doc.Gov/Bea/Ai/0799mnc/Maintext.Htm> [5 November 1999].
- Morrison, A. and Von Glinow, M. (1990) 'Women and Minorities in Management', *American Psychologist*, 45: 200-8.
- Northcraft, G. and Gutek, B. (1993) 'Point-Counterpoint: Discrimination against Women - Going, Going, Gone or Going but Never Gone?'. In Fagenson, E.A. (ed.) *Women in Management: Trends, Issues and Challenges in Managerial Diversity*. Newbury Park, CA: Sage.
- Ohlott, P., Ruderman, M. and Mccauley, C. (1994) 'Gender Differences in Managers' Developmental Job Experiences', *Academy of Management Journal*, 37: 46-67.
- Prahalad, C. (1990) 'Globalization: The Intellectual and Managerial Challenge', *Human Resource Management*, 29: 27-37.
- Ruderman, M., Ohlott, P. and Kram, K. (1997) *Managerial Promotion: The Dynamics For Men and Women*. Greensboro, NC: Center for Creative Leadership.
- Stanley, T. and Jarrell, S. (1998) 'Gender Wage Discrimination Bias? A Meta-Regression Analysis', *The Journal of Human Resources*, 23: 947-72.
- Steinpreis, R., Anders, K. and Ritzke, D. (1999) 'The Impact of Gender on the Review of the Curricula Vitae of Job Applicants and Tenure Candidates: A National Empirical Study', *Sex Roles*, 41(7/8): 509-28.
- Stroh, L., Brett, J. and Reilly, A. (1992) 'All the Right Stuff: A Comparison of Female and Male Managers' Career Progression', *Journal of Applied Psychology*, 77: 251-60.
- Tung, R. and Miller, E. (1990) 'Managing in the Twenty-First Century', *Management International Review*, 30: 5-18.
- US Census Bureau (1999) 'No. 756: Money Income of Persons - Selected Characteristics, by Income Level: 1997', *Statistical Abstracts of the United States: 1999*. Available: <http://www.Census.Gov/Prod/99pubs/99statab/Sec14.Pdf> [2 May 2000].
- US Department of Commerce (1999) 'Table 5, GDP and US International Trade in Goods and Services, 1970-1998', *National Income and Product Accounts*. Available: <http://www.Ita.Doc.Gov> [30 October 1999].
- US Department of Labor, Glass Ceiling Commission (1995) *Good for Business: Making Full Use of the Nation's Human Capital*. Washington, DC: US Government Printing Office.
- US General Accounting Office (1998) *Information Technology Workers: Employment and Starting Salaries*. Washington, DC: US General Accounting Office.
- Valian, V. (1998) *Why So Slow?* Cambridge MA: MIT Press.
- Veneri, C. (1998) 'Here Today, Jobs of Tomorrow: Opportunities in Information Technology', *Occupational Outlook Quarterly*, 42(3): 44-57.