

Organizational  
Genealogies and the  
Persistence of Gender  
Inequality: The Case of  
Silicon Valley Law Firms

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Using a study on foundings of Silicon Valley law firms, I propose and test an organizational theory on the genealogical persistence of gender inequality that emphasizes the routines (or blueprints) and experiences that founders transfer from their parent firms to their new firms. This transfer links the parent firm's gender hierarchy to women's advancement opportunities in the new firm. Founders from parent firms that historically had women in leadership positions, such that female leadership is institutionalized, are more likely to found firms that promote women into prominent positions. Conversely, founders from firms that historically had women in subordinate positions, such that female subordination is institutionalized, are less likely to promote women into prominent positions. Findings are consistent with the theory and also show that the persistence effect is stronger for founders who were previously lower-ranked employees and for founders who institute an organization of work similar to their parent firm. The study suggests that future research should investigate routines and structures that not only generate gender inequality unintentionally but are in turn replicated across generations of organization through the mobility of employees. ●

At the intersection of research on organizations and gender inequality sits a substantial body of work on the role that organizations play in creating, sustaining, and altering differences in attainment between men and women (Baron, 1984; Reskin, 1993). Employment settings are one of the primary structural arrangements that recreate ordinal status rankings of individuals by gender, referred to as gender hierarchies (Ridgeway, 1997). Whether the outcome is hiring (Fernandez and Sosa, 2003; Gorman, 2004), wages (Madigan and Hoover, 1986; Kilbourne et al., 1994; Hersch and Viscusi, 1996), promotions (Olsen and Becker, 1983; Cannings, 1988; Lazear and Rosen, 1990; Jones and Makepeace, 1996), or turnover (Spurr and Sueyoshi, 1994), scholars have often found that women are disadvantaged in organizations. Not surprisingly, attention to gender inequality extends beyond academia to include the popular press (Seligman, 2001; Tyson, 2003) and business leadership community (Gordon and Whelan, 1998; Meyerson and Fletcher, 2000). Despite the vast interest and research in this area, less is understood about the structural antecedents of gender inequality in organizations, especially the relationship between a firm's origin and the subsequent advancement opportunities for women employed in that firm. Though research in this area is just emerging (Baron et al., 2002), it is a new focus rife with potential. It allows us not only to determine the conditions under which gender inequality emerges in new organizations but also to improve our understanding of the persistence of gender inequality across generations of organizations.

One of the contexts in which gender inequality is cast as a critical issue is in law firms, where the attainment of women has received much scholarly attention (Halliday, 1986; Donovan, 1990; Epstein, 1993; Dixon and Seron, 1995; Hagan and Kay, 1995). This topic is among the few that have engaged not only sociologists but economists (Spurr, 1990) and legal scholars (Taber, 1988; Babcock et al., 1996). Interest in

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women's movement into the partnership ranks of law firms is fueled by two related factors. First, promotion to partner not only involves the greatest increase in income in a law firm, but partnership includes membership in a professional elite with access to substantial social and political capital (Nelson, 1988). Moreover, women's attainment in law firms has larger societal ramifications for access and opportunities (Hagan and Kay, 1995). Accordingly, women's occupancy of high-ranked positions in law firms is used as one barometer of generalized gender inequality.

Second, interest remains unabated because the progress of women into the partnership ranks has been slow (Abel, 1989; Beckman and Phillips, 2005). Although there has been a substantial rise in the proportion of women law school students and law firm associates, progress in women being promoted to partner has been substantially slower (Abramson, 1986; Hagan and Kay, 1995). While it is common to see women associates, there remain many firms that have yet to promote any women to the level of partner. In general, women are less likely to be promoted than men (Spurr, 1990; Kay and Hagan, 1998) and are more likely to leave before the promotion decision (Spurr and Sueyoshi, 1994), even controlling for experience or human-capital-based qualifications (Nelson, 1988; Phillips, 2001). Differences between men's and women's promotion chances seem to remain after taking into account women's choice to leave before the promotion decision (Hull and Nelson, 2000). For these reasons and others, one of the leading scholars on women in the law, Cynthia Fuchs Epstein (1993: 200–201), has questioned whether an increase in women associates actually foreshadows an increase in women partners. In fact, there has been some concern that evidence is pointing to a decline in an already low proportion of women partners (Ziewacz, 1996). Despite the overwhelming evidence that gender inequality persists over time, however, scholars have yet to fully understand the factors and mechanisms that drive this persistence.

To contribute to the understanding of why gender inequality persists, I investigate the persistence of gender inequality using longitudinal data on Silicon Valley law firm startups that capture the gender inequality in law firm offspring (progeny) and their parent firms. The gender hierarchy of the parent firm could affect the fate of women in two ways. First, founders can replicate the workplace-management routines associated with their parent firm's gender hierarchy. In replicating the routines, the parent firm's gender inequality is also replicated.

Second, founders may replicate their parent firm's gender hierarchy after working alongside women who were high (partners) or low (associates) status, as Allport's (1954) seminal research on social contact and discrimination would suggest (see also Cook, 1985; Pettigrew, 1998). This second mechanism suggests that founders who previously worked alongside women in leadership positions will see women as legitimate leaders (cf. Lucas, 2003). These founders will be more likely to promote women to leadership positions in their new firms. Founders who only worked alongside women in

subordinate positions, however, will be less likely to view women as legitimate candidates for promotion to partner.

Which routines are transferred should depend on whether the founder is a former partner or a former associate. Gender hierarchies may be replicated in new firms because the same decision makers who established the gender hierarchy in the parent firm reconstruct similar structures in the new firm. If true, much of the replication of the parent's gender hierarchy would be by those who were partners in the parent law firm. Alternatively, former associates, as lower-ranked, non-decision-making personnel, may be more likely than partners to replicate a parent's workplace-management routines, in part to be recognized as a legitimate law firm with respect to the firm's internal and external constituents (DiMaggio and Powell, 1983).

This research also compares the way progeny law firms and their parent firms structure and organize work to provide evidence for the intergenerational transfer of workplace-management routines. If gender inequality is embedded in workplace-management routines, progeny who are structurally similar to their parent firm should also be more likely to replicate the parent firm's gender inequality. Progeny whose routines are very different from their parent firm are less likely to replicate the parent firm's gender inequality. I also compare progeny to de novo law firms that lack parent firms. If gender inequality is transferred from parent firms, then comparing progeny to de novo firms should yield new insights.

### **THE PERSISTENCE OF GENDER INEQUALITY**

McKelvey (1982) has proposed that organizations and populations can be distinguished by the "comps," or routines they share (see also Stinchcombe, 1965; Nelson and Winter, 1982) and that routines, as elements of an organization's core competence, are embodied in an organization's employees. When employees leave their employers, they take with them the routines for the structure and organization of work, referred to as "workplace-management tasks" (see also Baty, Evan, and Rothermel, 1971; Boeker, 1987). Not all employees leave with the same routines, since the routines an employee acquires can vary substantially with the position he or she occupied (McKelvey, 1982: 179). In the context of law firms, the routines transferred to new firms should be most different when comparing former partners with former associates, as their tasks are the most radically different (Smigel, 1969; Phillips, 2001).

Although McKelvey (1982) only considered the mobility of employees between existing organizations rather than from a parent firm to its offspring, his focus on routines as moving with the mobility of employees is a powerful insight for understanding how the structure and organization of work is replicated by founders. To the extent that we understand the source of a founder's routines, we are better able to understand the emergence and diversity of organizational blueprints (Carroll, 1993). Moreover, because an organization's structure at founding substantially influences structure and action later in the life course of the organization (Stinchcombe, 1965; Boeker, 1989; Baron, Hannan, and Burton,

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1999), McKelvey's (1982) insight assists in understanding the factors that influence organizational structure and workplace-management routines across the organization's life course.

McKevley's (1982) insights dovetail with Phillips' (2002) argument that when founders leave existing organizations (called parents) to found new organizations (called progeny), the founder transfers some of the parent's routines to the progeny organization (for other genealogical conceptualizations, see Aldrich and Pfeffer, 1976; Freeman, 1986; Klepper, 2001). As a consequence, the structure and culture of progeny organizations are in part determined by the structure and culture of their parent organizations. Thus, when examining gender hierarchies, the parent organization's gender hierarchy must be included among the set of initial conditions that influences a new organization's tendency to place women in high-ranking positions over time. In particular, gender hierarchies are often embedded in the workplace-management routines that are transferred from parent organizations to their offspring.

Although I do not locate and identify the transfer of specific workplace-management routines in this study (cf. Winter and Szulanski, 2000), the literature on women's advancement in law firms has offered many examples of policies and routines that founders may transfer to their new firms. Tables 1 and 2 illustrate some of the policies that can affect women's advancement. They reflect the literature's attention to policies influencing the balance between work and family. Each table lists the routine, its relationship to women's promotion chances, and examples of scholarship that discusses that

Table 1

<b>Law Firm Workplace-management Routines That May Directly Affect Women's Advancement</b>		
<b>Routine</b>	<b>Relationship to advancement</b>	<b>Source</b>
<b>Increases promotion chances</b>		
Flexible work schedules	Firm's support for flexible work arrangements improve mother's ability to compete for promotion when the same number of total hours as men can be achieved.	Flaherty (1997); <i>Law Office Management &amp; Administration Report</i> (1998); Bond et al. (2003)
Mentoring programs	Mentors improve women's access to important work and clients, provide legitimacy to the woman, and enhance women's overall socialization.	Epstein (1970); Epstein et al. (1995); Rivkin (2001)
<b>Lowers promotion chances</b>		
Part-time employment policies	Part-time work derails women because criteria for promotion (e.g., total hours billed) are not adjusted. Part-time work (the "mommy track") can stigmatize women as "not serious" and permanently damage promotion chances.	<i>Harvard Law Review</i> (1996); Rhode (2002)
Parental or maternity leave policies	Taking time out to attend to child care responsibilities lowers promotion chances (and earnings if they do become partners). Some women reported being assigned less important cases and being labeled as less motivated.	Epstein et al. (1995); Gannon (2003); Noonan and Corcoran (2004)
Use of non-partnership track positions	These devalued positions are disproportionately filled by women and reduce women's promotion rates in law firms.	Yoder (1991); Hersch (2003)

relationship. Table 1 provides examples of routines that are directly associated with women's promotion chances, either increasing or decreasing them. These are routines a founder may transfer when the advancement of women attorneys is salient.

For example, if a parent law firm has women partners as a result of policies that allow women with families to meet their family's needs without sacrificing their time commitment to the firm (e.g., through flexible work schedules, or "flextime"), then that law firm's offspring may improve women's chances of promotion by replicating the parent firm's flextime policy. At the same time, as shown in table 1, research has described how firms' use of part-time work can often harm women's chances of promotion by affecting their perceived commitment to the law firm. As Epstein et al. (1995) noted, "... there is no clear relationship between firms that are known as family-friendly (e.g., generous part-time policies) and numbers of women in high positions. In fact, the most family-friendly firms had the worst record on partnership." If founders transfer routines, then parent firms with the worst records will tend to spawn offspring with bad records as well. For example, a founder may replicate the parent firm's child care leave policy. To the extent that women who take child-care-related leave are punished for it when promotion decisions are made (Epstein et al., 1995; Chambliss, 1997; Gannon, 2003; Noonan and Corcoran, 2004), the founder may be unknowingly replicating routines that depress women's promotion chances.

Transfers of routines such as these can lead to paradoxical outcomes, given that these "family-friendly" policies may increase the number of women at the associate level by sending a signal that the firm does not discriminate in hiring (Moss, 2004). In other words, law firms with a generous maternity leave program may attract women associates but have a poor record of promotion because they punish the same women for taking the leave allowed by the policy. In this case, a founder replicating what are thought to be progressive policies will be replicating the parent's long history of having women associates with few if any women partners. This outcome is one example of institutionalized female subordination, in which a firm's routines result in women's perpetual occupancy of lower-ranked positions.

Table 2 provides examples of routines that serve purposes thought to be unrelated to gender but that may have unintended consequences for women's promotion chances. As Marini (1989: 372) observed in her review of the sex segregation literature, job requirements instituted without discriminatory intent can nonetheless affect the level of discrimination. With respect to law firms, a founder may replicate its parent firm's policy of equally distributing work to the firm's associates. The fact that a formalized equal distribution of work tends to reduce discrimination against women (Abbott, 2004) need not be the primary focus of the founder.

In addition to transferring routines, a founder may also transfer a set of values or beliefs in women's ability to lead. This argument builds on multiple studies on status expectations

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Table 2

### Law Firm Workplace-management Routines That May Indirectly Affect Women's Advancement

Routine	Relationship to advancement	Source
<b>Increases promotion chances</b>		
Formal departmentalization, strategic planning, and management by committees	More formalized evaluation procedures and distribution of work can minimize subjective bias against women.	Chambliss (1997); Abbott (2004)
Transactional relations with law firm's clients	Women fare better in law firms that provide specialty/transactional services than in law firms that focus on close and long-term ties with their clients.	Nelson (1983); Chambliss (1997)
<b>Lowers promotion chances</b>		
Policies emphasizing billable hour and travel requirements	Stress on greater time committed to the firm conflicts with women's attempts to start and maintain families.	Epstein (1993); Bailyn (2003)
Long partnership track	Longer partnership tracks conflict with women's attempts to start and maintain families.	Chambliss (1997)

and construction (Markovsky, Smith, and Berger, 1984; Ridgeway and Smith-Lovin, 1999; Ridgeway and Erickson, 2000) and recent evidence provided by Lucas (2003). Using a laboratory setting, Lucas (2003: 467) found that when group members learn that "successful groups have women as leaders, and when members see that groups similar to their own have women in leadership positions . . . female leaders had as much influence as did male leaders with comparable ability."

The status construction research complements Allport's (1954) social contact theory, which together suggest that members of a majority will demonstrate lower levels of discrimination if they have meaningful contact with women of higher status. In the law firm context, some founders leave a parent firm in which women are in leadership positions. Their contact with women leaders should increase the likelihood of promoting women to leadership positions in their new firms. At the same time, a direct implication of Allport's (1954) theory is that interactions with women in subordinate positions, or positions that are thought of as lower status and traditionally gender-appropriate, will result in a lower likelihood that a founder would consider women as legitimate leaders. As a consequence, these founders will be more hesitant to promote a woman to a leadership position in their new firms.

Finally, most founders are much more concerned about setting up an organizational structure that maximizes survival, and much less concerned about how soon they will promote a woman to partner. Phillips (2002) found that, like many other types of startups, young law firms have a high likelihood of failure. To the extent that law firm founders are cognizant of this "liability of newness" (Freeman, Carroll, and Hannan, 1983), choosing workplace-management routines to maximize survival (e.g., instituting travel requirements for associates to acquire and retain a geographically dispersed client base) will be more salient than choosing routines to maximize women's promotion chances. Nevertheless, the routines they choose may replicate roles for women that

have institutionalized female leadership or female subordination in the parent firm.

### **Institutionalized Female Leadership and Subordination**

Key to my theory is the argument that gender hierarchies, whether they tend to place women in leadership or subordinate positions, are often institutionalized in workplace-management routines that transfer across organizational genealogies as parent firms spawn progeny. A parent firm that has had a woman partner for the first nine of its ten years of existence is more likely to spawn progeny that will promote women to partner, even if the progeny's founder worked in the only year in which there was no woman partner. At the same time, progeny firms are less likely to place women in partnership positions when the progeny's founders came from firms in which historically women were only associates. The longer the period in which women in a law firm have only occupied the position of associate, the more likely that women are associated with low-status positions. This gives rise to institutionalized female subordination. For example, a parent firm that has had women associates for 30 years but women partners for only five years has greater institutionalized female subordination than a firm that has had women associates for 10 years but women partners for only five years. In the first firm, many more women were denied partnership, resulting in many years in which women only occupied the lower-ranked, subordinate position. In transferring the routines of their respective parent firms, founders from the first firm would be less likely to promote women than founders from the second firm. Founders from parent organizations that have a long history of women in high-ranked positions are more likely to have high-ranking women in their own organizations. These founders transfer routines that improve the advancement of women.

**Hypothesis 1:** The more years over its life-cycle that a parent organization had women in leadership positions, the greater the likelihood that its organizational progeny will promote a woman into a leadership position.

Consistent with the logic of hypothesis 1, founders from parent organizations that have a long history of women in subordinate positions are less likely to promote women into leadership positions in their own organizations. That is, founders in these settings transfer workplace-management routines that institutionalize women as subordinates (Zucker, 1977; Ridgeway and Erickson, 2000; Lucas, 2003). Holding the representation of women in leadership positions constant, the longer the period that a founder's parent organization is characterized as having women in subordinate positions, the greater the likelihood that the founder will transfer routines that hinder women's promotion opportunities. As a consequence, these founders will exhibit a lower likelihood of promoting women to leadership positions.

**Hypothesis 2:** The more years over its life-cycle that a parent organization had women in subordinate positions, the lower the likelihood that its organizational progeny will promote a woman into a leadership position.

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In the context of law firms, testing hypothesis 2 requires measuring how many years of the law firm's existence that there have been women associates, controlling for the existence of women partners. A firm that has had women associates for 30 years but women partners for only five years has greater institutionalized female subordination than a firm that has had women associates for 10 years but women partners for only five years. In this way, hypothesis 2 is a powerful test of the conceptual model, with an interesting implication: women have a higher chance of making partner when the founder's parent firm had no women than when women in the parent firm were consistently in subordinate positions.

## **Social Contact with Female Leaders and Subordinates**

A second mechanism for the transfer of gender hierarchies emerges from Allport's (1954) seminal work on discrimination and from status construction research (Ridgeway and Erickson, 2000). Allport's (1954) social contact theory suggested that discrimination against lower-status minorities could be remedied (a) if members of the majority could directly interact with the discriminated member; (b) in a context in which the two groups were of equal status and (c) were pursuing a common goal; or (d) through interdependent action (see Pettigrew, 1998, for a review). Extending this logic by modifying condition (b), departing founders who have directly interacted with women in high-ranking positions may be more likely to have women in high-ranking positions in their new organizations (cf. Lundberg and Startz, 1983; Jackman and Crane, 1986). Founders with direct interactions with women in subordinate positions are less likely to place women in high-ranking positions in their own firms.

This theory is supported by research on how expectations about the relative status of men and women are replicated in new settings. Ridgeway and Erickson (2000) demonstrated that beliefs about status hierarchies can be spread to others as individuals enact learned beliefs about the relative status of women, even as they enter a new context. If a founder had many years of interactions with women in leadership roles, that founder will bring expectations about women as leaders into the new firm. At the same time, founders with many years of interacting with women in subordinate positions will transmit beliefs about women as subordinates as they leave to start a new firm.

**Hypothesis 3:** The greater a founder's social contact with women in leadership positions in a parent organization, the greater the likelihood that the founder's new firm will promote a woman into a leadership position.

**Hypothesis 4:** The greater a founder's social contact with women in subordinate positions in a parent organization, the lower the likelihood that the founder's new firm will promote a woman into a leadership position.

It is also important to note that Allport's (1954) primary thrust focused on majority-minority (men interacting with women) prejudice and discrimination, not minority-minority interactions (women interacting with women). Thus, hypotheses 3 and 4 correspond with Allport (1954) more closely when the



founders in question are male. At the same time, research testing status characteristics and expectations theories suggests that both women and men can legitimate female leadership and subordination and bring these biases into their group interactions (Berger et al., 1977; Ridgeway, Johnson, and Diekema, 1994; Ridgeway and Erickson, 2000). Because founders can be either majority (men) or minority (women) members, it is important to consider the gender composition of the founding team and to test whether these hypothesized effects are stronger for male founders, as Allport (1954) would suggest.

### **The Founder's Former Rank**

The type and volume of routines transferred should vary by the founder's former position in the parent firm. In general, law firms have two positions: associates and partners. Associates enter the firm directly from law school or after a one-year judicial clerkship. They are considered for promotion to partnership after a period in which they work under the supervision of the partners (Smigel, 1969; Nelson, 1988; Galanter and Palay, 1991). Partnership encompasses several new tasks and responsibilities, emphasizing skills in firm management that transcend the traditional tasks involved with practicing law as an associate (Nelson, 1988). Those not promoted to partner must leave the firm (the "Cravath" or "up-or-out" promotion system), although many associates leave the firm well before the partnership decision is made. In my study it is not possible to determine why particular associates leave to start their own law firms; some may leave out of dissatisfaction with the law firm, while others are fired. In either case, Smigel (1969) noted the traditional practice of law firms working for an amicable separation between the firm and the associate. In some cases, a former associate leaves to start a firm that obtains business from its parent firm's referrals.

Lower-ranked members who leave to found their own firms are more prone to re-create the routines associated with the structure and organization of work for two reasons. First, former lower-ranked members, especially former associates in law firms, are only exposed to the narrow range of firm-specific routines associated with being a lower-ranked employee and typically do not have the opportunity to formally consider alternatives to the routines they enact. Because, as Smigel (1969), Wholey (1985), and others have noted, law firm labor markets are overwhelmingly within-firm, there is little mobility between firms, and associates who leave to found firms tend to have only worked in one law firm. Also, former associates are not often given the opportunity to learn managerial or leadership routines and have little understanding of what partners do (Phillips, 2001; Kercher, 2002; Sapp, 2002). As one long-time legal consultant observed, "Generally speaking, [associates] are extraordinarily naive about partnership . . ." (Kercher, 2002). Partners, as owners of the firm, more regularly collect data on and evaluate alternatives to the set of routines that the firm currently uses. For example, partners may collect data on, evaluate, and debate different ways of allocating work, resulting in exposure to a wide range of

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routines. Associates, however, have a much less sophisticated understanding of alternatives to their firm's routines.

Second, because former associates have lower status than former partners, they obtain greater legitimacy from being similar to their more-established parent firm. In their study of high-tech startups, Schoonhoven, Eisenhardt, and Lyman (1990) argued that the pressures of mimetic isomorphism (DiMaggio and Powell, 1983) would compel young firms to respond to uncertainty by copying the actions of their peers. Similarly, former associates are likely to replicate their parent firm's routines to achieve external legitimacy more often than former partners because the need to signal legitimacy is greater for former associates (Singh, Tucker, and House, 1986).

It is also important to reiterate that when routines are transferred from the parent to the progeny law firm, the founder may be unaware of how the routines affect the advancement of women in the new firm. As was discussed with the examples of routines in table 2, the top priority of a founder is the survival of the new firm. Much of this difference is likely due to the greater ability of partners to leave with clients, network relationships, and other forms of social capital that enhance their new firm's competitive strength and legitimacy in the market for legal services. Firms with former partners are advantaged, especially in the first few years of the law firm's founding (Phillips, 2002). This should have two consequences. First, because they are less likely to have the clientele and legitimacy of former partners, I expect that former associates are more likely to replicate routines from the parent to minimize the liability of newness they face (Singh, Tucker, and House, 1986). Second, the greater need that former associates have to generate revenue quickly increases the probability that they will replicate their parent firm's routines, as those are the routines that are the most available, with less concern about their effects on the advancement of women.

In contrast to associates, the primary reason why law firm partners depart is because they disagree with the firm's current norms, strategy, and routines (Abel, 1989; Hillman, 1990). Partners leave parent firms as "deviants" with the goal of founding a new firm that is different from the parent firm. For example, the *Recorder*, a prominent northern California legal newspaper, noted that a law firm called the Venture Law Group was founded in part because a key partner in Wilson Sonsini (the market leader in Silicon Valley), Craig Johnson, wanted to deviate from Wilson Sonsini's routines, such as its organization of work, the structure of its partnership track, and profit-sharing rules (Walsh, 1994; Osbourne, 1996). Overall, the tendency for former partners to deviate and for former associates to imitate their parent firms supports the contention that firms founded by associates will be more likely to transfer workplace-management routines wholesale from the parent firm.<sup>1</sup>

**Hypothesis 5a:** The hypothesized effect in H1 of institutionalized female leadership should be greater when the founder was formerly a lower-ranked member of the parent firm.

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This is not to say that former partners do not replicate their parent firms. They often do, although as McKelvey (1982) would suggest, the routines that former partners replicate are different from what former associates replicate. Former partners tend to maintain those routines that are related to the client base, largely because they typically compete with the parent firm over those clients and often leave with the parent firm's clients (Hillman, 1990). Thus, while the Venture Law Group (VLG) in the example above sought to alter the organization of work, there was no discussion of altering the routines for managing client relations. In fact, journalistic accounts noted that clients of the VLG experienced no change in the way they interacted with the law firm.

**Hypothesis 5b:** The hypothesized effect in H2 of institutionalized female subordination should be greater when the founder was formerly a lower-ranked member of the parent firm.

Unlike the prediction for institutionalized female leadership and subordination, neither the background literature nor insights on the context provide a clear hypothesis for whether Allport's (1954) social contact prediction (articulated as H3 and H4) would vary by the former rank of the founder. To develop a more robust interpretation of the overall findings, however, it is helpful to empirically document whether Allport's social contact hypothesis varies by the former rank of the founder, which I do after testing H5a and H5b.

### **The Transfer of Routines**

I have argued that gender inequality persists when transferred routines reproduce the parent's structure and organization of work. The imagery is one of founders taking a bundle of routines with them upon the founding of the progeny. If these arguments are correct, the effect of the parent's gender hierarchy should be stronger for those progeny that also reproduce other aspects of the parent's organization of work. That is, progeny that are organized in a way similar to their parent firms should be more likely to replicate the parent's gender hierarchy. Progeny organized in a way that is distinct from their parent firms would have fewer routines in common. These more dissimilar progeny should be less likely to be influenced by their parent firm's gender hierarchy.

**Hypothesis 6a:** The less similar a progeny's organization of work is to its parent firm, the weaker the hypothesized effect in H1 of institutionalized female leadership.

**Hypothesis 6b:** The less similar a progeny's organization of work is to its parent firm, the weaker the hypothesized effect in H2 of institutionalized female subordination.

### **Comparing Progeny with de Novo Firms**

The final test of the model developed here is to verify that progeny law firms, because of the intergenerational transfer of routines, have different promotion rates for women than de novo firms (those that do not have parent firms). If the lineage that creates the organizational genealogy is meaningful, the transfer of routines for progeny should distinguish them from de novo firms. Progeny with institutionalized female leadership should promote women at a greater rate than de novo firms. Progeny with institutionalized female subordination should promote women at a lower rate than de novo firms.

Therefore, to provide a meaningful baseline for interpreting the persistence of gender hierarchies across generations of organizations, I compare three types of law firm progeny to law firms without ties to Silicon Valley parents ("de novo" firms). The first type of progeny has founders from parent firms that have a history of women in leadership positions. Compared with de novo firms, firms in this first category should have a higher likelihood of promoting women to partner. The second type are progeny with founders from parent firms that have a history of women in subordinate positions.

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These progeny should have a lower likelihood of promoting women to partner. The third type are progeny from parents that have no history of women in leadership or subordinate positions. Progeny in this third category, having not inherited any routines of institutionalized female leadership or subordination from their parent firms, should look no different than the de novo firms, who have no parents.

**Hypothesis 7a:** Progeny firms with institutionalized female leadership have a higher likelihood of promoting women into leadership positions than de novo firms.

**Hypothesis 7b:** Progeny firms with institutionalized female subordination have a lower likelihood of promoting women into leadership positions than de novo firms.

## METHOD

As part of a larger project on the population dynamics of law firms, I collected data from the annual *Martindale-Hubbell Law Directories* from 1946 through 1996 for law firms and attorneys in the Silicon Valley region of California. The directories list attorney and law firm characteristics and, when followed across time, provide information on the life chances of law firms and whether the founder was previously affiliated with another Silicon Valley law firm. As Suchman (1993, 2000) and Escher and Morze (1998) noted, Silicon Valley is a relatively self-contained market for legal services in Northern California, with scant legal activity before World War II. Silicon Valley comprises the following ten cities: Redwood City, Menlo Park, Palo Alto, Los Altos, Mountain View, Sunnyvale, Santa Clara, Cupertino, Campbell, and San Jose.

For each law firm, I coded its founding date (its first appearance in the directory) to alleviate any left-censoring. In all, I collected data on 513 law partnerships across the fifty years, which includes every firm listed with more than one active attorney—solo practitioners were excluded because they cannot be parent firms and lack distinctive hierarchical positions. I tested my hypotheses on a subset of these data, using the last thirty-three years (1963–1996).<sup>2</sup> The observation period reflects the fact that before 1963 there were no women associates in any of the firms in my sample. Accordingly, I consider my risk set as including any firm founded after 1962. The resulting dataset contains 421 firms, 134 of which are progeny.

## Dependent Variable

*Having a woman in a partner position.* I coded a dummy variable to capture whether or not a firm had a woman partner and followed each firm annually until one of the firm's partners was a woman. The variable equals one for the firm-year in which there is a woman partner. When this occurs, the firm exits the risk set. I determined the sex of the attorney by using first names. Although there were no partners with gender-neutral names, there were associates whose sex was unclear. When possible, I confirmed sex with photographs available on the Web or in local bar association directories. I classified any gender-neutral name (e.g., Pat) as male unless a photograph proved otherwise. Mirroring the occurrence of

**2**

In additional analyses, I varied the observation window from 1945–1996 to 1976–1996. None of the results presented here were altered by changes in the observation window.

women partners in other samples of law firms, 18 of the 134 (13.4 percent) firms listed a woman as partner by 1996.<sup>3</sup> Given that in my data the partnering of the first woman in a law firm was of only one woman at a time, and that 54.6 percent of the parent firms that had women associates never promoted a woman to partner, modeling the risk of a firm partnering a woman for the first time is appropriate.

### Independent Variables

**Institutionalization of gender hierarchies from parent firms.** I considered female leadership to be institutionalized the greater the proportion of years that a progeny firm's parent had any women partners before the founder left to found the progeny firm. I coded this by calculating the proportion of years that there was a woman partner in the parent firm, beginning with the parent firm's first year and ending with the year that the founder departed. The variable ranged from zero (the parent firm never had any women partners before the founder left) to one (the parent firm had at least one woman partner in each year from its birth until the founder left). Similarly, I coded the proportion of years that a parent firm had women associates as an indicator of how institutionalized women in subordinate positions were.

**Social contact.** To capture a founder's past contact with women at the partner and associate levels, I coded two variables. The first indicates the number of years the founder worked when there were also women partners in the parent firm. The second indicates the number of years the founder worked when there were also women associates in the parent firm. My modification of Allport's (1954) thesis suggests that the greater the number of years of social contact with women partners, the more likely that the founder will promote a woman to partner. Conversely, previous contact with women associates should make founders less likely to promote a woman to partner.

Figures 1a and 1b give examples of the difference between the institutionalization hypothesis and the social contact hypothesis. In each figure, a parent firm has a woman promoted to a high-ranked (leadership) position in year five. Also, each example features an employee who enters the firm in the 15th year and leaves in the 20th year to found a new firm. The difference between figures 1a and 1b lies in the number of years that the high-ranked woman remains in the organization. In figure 1a, the high-ranked woman remains in the parent firm at least 15 years. When the employee leaves to found a new firm, the high-ranked woman is still a member of the parent firm. In this case, the degree to which female leadership is institutionalized is 0.75, because a woman was high ranked in 15 of the 20 years that the parent firm was in existence. Measuring the social contact hypothesis, the new employee had five years of interaction with the woman leader. In figure 1b, the woman leader leaves after five years—well before the new employee enters the firm. While the years of direct interaction is 0, the value of institutionalized female leadership is greater than zero, or 0.25 (5 years divided by 20 years). This indicates that although the new employee did not personally interact with the woman

### 3

The rate of partnering a woman for all 421 firms (progeny plus de novo) in existence from 1963 to 1996 is 12.1 percent. Data from the American Bar Association show that 13 percent of national law firms had women partners in 1995 (Ziewacz, 1996).



leverage ratio is highly correlated with a firm's business strategy (e.g., specialist vs. generalist), human resource management (e.g., organized by formal departments), and whether the firm was a branch office. To the extent that gender hierarchy is transferred as a routine, those progeny that are different from their parent firms with respect to the leverage ratio should be less likely to replicate the parent's gender hierarchy.

I coded the absolute value of the difference between the parent's leverage ratio at the time of the founder's departure and the progeny's. The greater the difference in leverage ratios, the fewer routines are transferred from the parent to the progeny.<sup>5</sup> If my hypotheses are correct, interacting a variable for intergenerational difference of leverage ratios with institutionalized female leadership should result in a negative and significant coefficient (H6a). Interacting this variable with institutionalized female subordination should produce a positive and significant coefficient (H6b).

### Control Variables

I controlled for the possibility that attorneys (as future founders) seek firms with a particular level of gender inequality, then leave to found firms with a similar level of inequality. This endogeneity or selection alternative suggests that the informed choices of individual attorneys drive my results (e.g., founders who promote women chose previously to work in firms where women were in leadership positions). I addressed this alternative by controlling for the proportion of lower- and higher-ranked women that existed in the year that the future founder began her or his career. That is, I followed each founder back to the year in which he or she entered the parent firm then recorded the proportion of women associates and partners. If founders first sought particular gender hierarchies earlier in their careers and then replicated the hierarchies in their newly founded firms, these controls should explain away my hypothesized effects.

To capture any population-level time trend effects, I generated a count variable, ranging from 1 to 26, for each year of the observation period. I operationalized firm size in two ways: (1) the total number of full-time partners and (2) the total number of full-time associates. Given that the distribution of firm sizes was log-normal (skewed to reflect a few relatively large firms), I coded the log of each size variable. This specification yields estimates that are easier to interpret than including the leverage ratio and does not change my results. To minimize concerns about unobserved heterogeneity due to characteristics of the parent firm, I also included the parent firm's size and age. Larger and younger parent firms may have been more likely to have women at the associate and partner levels, confounding the results.

In addition to measuring size, I coded a dummy variable for whether a firm was a branch office, given that branch offices may be organized differently (Sherer, 1995). I also controlled for departures at the partnership level, although the direction of its effect is unclear. While departing partners create vacancies that potentially can be filled by women, partner turnover may also indicate a firm's poor health. For each year, I coded

#### 5

In about 10 percent of the cases, the progeny had multiple parents. For these cases, I averaged the leverage ratios of each parent and used this to code the similarity of work. To insure that progeny with multiple parents did not affect my results, I reran the analyses with a dummy variable for whether a firm had multiple parents. The dummy variable was insignificant, and none of the hypothesized results were affected.

## Gender Inequality

the number of partners that left the firm at year's end and then divided each number by the total number of partners in the beginning of that year. I similarly calculated the attrition of associates. Each attrition variable varied between 0 (no departures at that rank) and 1 (complete departure at that rank). I also included two indicators for growth: the proportion of new associates and the proportion of new partners. Because partner growth rates drive promotion rates in general (Phillips, 2001), the growth rates should increase the likelihood of promoting a woman to a firm's partnership.

I also constructed variables to capture the gender and age demographics of the founders. A dummy capturing whether there were women in a law firm's set of founders controlled for the presence of women at the date of founding. Having women at the founding may indicate that the firm may be open to hiring and promoting women. At the same time, a firm that begins with women in leadership positions may feel less external pressure to promote women. Moreover, some women in leadership positions, especially tokens, may not be supportive of more junior women (Ely, 1994). Controlling for the mean and heterogeneity of founders' age is important for assessing whether the effect of former rank (H5a, H5b) is not due to younger and diverse founding teams being more open to promoting women to partner than older and homogeneous founders.

I also included the proportion of women associates as a control. Building on Kanter (1977), Cohen, Broschak, and Have-man (1998) noted that the proportion of women at lower ranks influences the likelihood that a woman would be promoted to higher levels of an organization's hierarchy. A higher proportion of women associates may also indicate a firm's success in attracting women as candidates for promotion. Yet the work of Epstein (1993), Abel (1989), and others suggests that some firms may hire women to meet a labor shortage but deny them opportunities for promotion. The proportion of women associates in the law firm also serves as a control for the extent to which the firm is in a market niche over- or underrepresented by women.

Silicon Valley can be roughly distinguished geographically by whether the law firm is located in the north or south end of Silicon Valley. The north end is represented by the cities most associated with Silicon Valley by the popular press: Palo Alto, Menlo Park, and Redwood City. These cities host Stanford University and many of Silicon Valley's successful venture capitalists. Not only are firms in this area considered to be higher status but they also tend to serve the larger and more successful corporate clients. To the extent that these firms have greater market power, firms located in the north end of Silicon Valley should be less likely to promote women to the position of partner (cf. Phillips, 2001). To capture this effect, I coded a one for whether the law firm is located in any one of the three cities.

Because women may be disproportionately underrepresented in a particular area of law, I coded dummy variables for different areas of law practice. To preserve statistical power, I included only those practices that improved the fit of the



model: estate/probate, tax, insurance, tort, labor/employment, real estate, and intellectual property. Practice area dummy variables capture the possibility that a firm is in a market position (or niche) that drives particular patterns of gender inequality.

To capture whether there were some firms that were more innovative than the typical Silicon Valley law firm, and thus more likely to take more novel approaches to the organization of work and promotion of women to the position of partner, I coded a dummy variable one if the law firm was the first in Silicon Valley to move into a new area of law, and zero otherwise. These "local innovators" may be less constrained by the set of norms traditionally observed in practice. Moreover, their innovativeness suggests that they are making a substantial investment for future growth and may be seeking new and different individuals to staff a new area of practice.

### **Method of Estimation**

I estimated the likelihood of admitting a woman to a firm's partnership with piecewise constant exponential models. In these models, I split the time axis into time periods according to firm age. The models give an age-dependent constant (a "y-intercept") for each time piece of the model. The null model is an exponential model without time periods, in which it is assumed that rates are time-invariant. The y-intercepts included in the model were statistically significant with respect to a chi-squared model improvement test.

## **RESULTS**

Table 3 presents the summary statistics for each of the variables. Table 4 provides pairwise correlations. The key independent variables, the proportion of years the parent has women partners (institutionalized female leadership) and the proportion of years the parent has women associates (institutionalized female subordination), are correlated at .45, but not to the extent that multicollinearity is a concern. Only two pairs of variables are correlated at over .50. Partner growth is highly correlated with associate growth at .62, and the correlation between the proportion of years that a parent firm had women associates (institutionalized female subordination) and the number of years a founder formerly worked with women associates (social contact with female subordinates) is correlated at .70. All other correlations are less than .50.

### **Institutionalized Female Leadership and Subordination**

In tables 5a and 5b are the models that test hypotheses 1–6 and the alternative explanations. To save space, the dummy variables for the areas of practice are not presented. Model 1 presents the firm-age time pieces and control variables. Perhaps the most interesting finding is that attorneys who initially went to work in law firms that already had women partners are more likely to promote a woman to partner when they leave to found their own firms ( $p < .05$ ). This suggests that some attorneys chose to work in firms with women partners, then promoted a woman to their partnership when they founded their own firms.

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Table 3

<b>Summary Statistics for Silicon Law Firm Progeny Firms, 1963–1996 (N = 788 firm-years; 134 firms)</b>				
Variable	Mean	S.D.	Min.	Max.
Dependent variable: Firm has a woman partner	0.02	0.15	0	1
Firm age	6.05	5.37	1	28
Time trend	16.00	6.75	0	26
Log(partners)	1.05	0.56	0	3.04
Log(associates)	0.71	0.74	0	3.22
Firm is a branch office	0.17	0.38	0	1
Firm located in north Silicon Valley	0.43	0.50	0	1
Firm is a local innovator	0.11	0.31	0	1
Partner growth rate	0.06	0.14	0	1
Partner attrition rate	0.04	0.17	0	1
Associate growth rate	0.04	0.17	0	1
Associate attrition rate	0.11	0.25	0	1
Proportion of women associates	0.13	0.26	0	1
Parent firm size when founder left	11.07	26.25	1	229.0
Parent firm age when founder left	11.85	11.51	1	60
Average age of the founders	41.59	6.55	31.67	62
Standard deviation of the age of the founders	4.37	4.28	0	20.51
Proportion women partners when founder joined parent	0.01	0.06	0	0.41
Proportion women associates when founder joined parent	0.03	0.14	0	1
Founder was a former associate	0.34	0.47	0	1
Firm founded with women	0.03	0.18	0	1
Proportion years parent had women partners	0.10	0.28	0	1
Proportion years parent had women associates	0.13	0.25	0	1
Years worked with women partners	0.55	1.92	0	13
Years worked with women associates	0.91	2.26	0	13
Absolute value difference in ratio between parent and progeny	0.84	0.79	0	5.50
Tax law	0.22	0.42	0	1
Real estate law	0.40	0.49	0	1
Labor/employment law	0.29	0.45	0	1
Intellectual property law	0.11	0.31	0	1
Estate/probate law	0.45	0.50	0	1
Insurance law	0.31	0.46	0	1
Tort law	0.19	0.40	0	1

As expected, the time trend variable is positive, as a greater proportion of firms promoted a woman to partner over time. Model 1 also suggests that women's attainment is positively related to the firm's health. Firms experiencing high partnership growth are more likely to make a woman partner ( $p < .05$ ). There is only weak evidence that high attrition at the partner level reduces the chances that a woman will be made partner. There is little effect for growth and attrition at the associate level. Firms located in north Silicon Valley, where the most lucrative and prestigious clients are located, are less likely to make a woman partner ( $p < .05$ ). Firms that were founded as branches of firms outside of Silicon Valley are also more likely to promote women ( $p < .05$ ). This finding may be due to founders from branch offices coming from larger firms in which female institutionalized leadership or contact with women leaders was high.

Model 2 introduces the two female institutionalization variables. Hypothesis 1 is supported ( $p < .01$ ). Founders are more likely to make a woman a partner when their parent firms had a history of women partners. This effect remains positive and significant across the remainder of the models and is independent of the new firm's size, market position (practice areas), new market expansion, location, growth rate, attrition, the proportion of women associates, the founder's previous position, the presence of women when the founder

first worked in the parent firm, founding team demographics, and the size and age of the parent firm. Separate analyses verified that this result holds if the two institutionalization variables are entered separately.

Table 4

<b>Pairwise Correlations for Silicon Valley Law Firm Progeny Firms, 1963–1996 (N = 788 firm-years; 134 firms)</b>									
<b>Variable</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
1. Firm makes a woman partner									
2. Firm age	.06								
3. Log (partners)	.09*	.20*							
4. Log (associates)	.01	.13*	.08*						
5. Firm is a local innovator	-.00	.24*	.15*	-.04					
6. Located in north Silicon Valley	-.08*	.00	.09*	.02	.06				
7. Branch office	.13*	-.01	.27*	.47*	-.10*	-.09*			
8. Log (time trend)	.09*	.02	-.13*	.09*	-.22*	-.04	-.03		
9. Partner attrition rate	.01	.01	.27*	-.08*	-.05	-.06	.08*	.00	
10. Associate attrition rate	-.03	.01	-.09*	.34*	-.05	-.02	.12*	.03	.05
11. Partner growth rate	.12*	-.04	.33*	.01	-.06	.04	.10*	.01	.20*
12. Associate growth rate	.03	.00	.13*	.16*	.00	.07*	.07*	-.00	-.01
13. Proportion women associates	.04	.02	.14*	.13*	.03	.00	.11*	.08*	.05
14. Average age of founders	-.06	-.19*	-.38*	-.18*	-.21*	-.10*	-.15*	.21*	-.08*
15. Standard deviation of founders' age	.01	-.10*	.09*	-.14*	-.13*	-.12*	-.01	.03	.08*
16. Real estate law	.03	-.15*	.17*	.03	-.06	.18*	.03	-.10*	-.03
17. Intellectual property law	.06	-.11*	.10*	.12*	.07	.12*	.06	.29*	.03
18. Labor law	.06	-.09*	.17*	.07	.15*	-.06	.16*	.13*	.01*
19. Estate/probate law	-.02	.32*	.09*	-.03	-.04	.02	-.00	-.44*	-.00
20. Tax law	.00	.00	.13*	.18*	.04	.12*	.02	-.06	.02
21. Insurance law	.03	.18*	.08*	.29*	.01	-.14*	.26*	-.02	-.04
22. Tort law	-.01	-.04	.03	-.02	.21*	.02	.03	.09*	.07
23. Parent firm size	.02	-.12*	-.01	.07	-.08*	-.00	.02	.24*	-.01
24. Parent firm age	-.01	.06	.03	-.18*	-.02	-.11*	-.17*	.15*	.09*
25. Women partners when founder joined parent	.10*	.04	.23*	-.07	-.07	-.07*	.03	.10*	.22*
26. Women associates when founder joined parent	.07	-.07*	-.10*	-.02	-.05	-.12*	.00	.10*	.12*
27. Firm founded with women	.02	-.09*	.09*	.15*	-.06	-.11*	.01	.11*	-.03
28. Founder was a former associate	.05	.16*	.36*	.03	.28*	-.01	-.03	-.03	.09*
29. Years worked with women partners	.01	-.13*	.03	-.04	-.09*	-.14*	.05	.25*	.11*
30. Years worked with women associates	-.03	-.13*	-.12*	.02	-.04	-.06	.03	.32*	-.04
31. Proportion of years parent had women partners	.10*	-.03	.08*	.21*	-.12*	.19*	.24*	.175*	.09*
32. Proportion of years parent had women associates	.02	-.13*	.03	.15*	-.10*	-.05	.13*	.37*	.05
33. Logged absolute difference in leverage ratio	.01	-.20*	-.20*	.25*	-.03	-.06	.08*	.18*	-.02
<b>Variable</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>
11. Partner growth rate	-.00								
12. Associate growth rate	.11*	.62*							
13. Proportion women associates	.04	.10*	-.00						
14. Average age of founders	-.12*	-.08*	-.06	-.06					
15. Standard deviation of founders' age	-.09*	.04	-.03	-.00	.05				
16. Real estate law	.04	.01	-.02	.10*	-.03	-.02			
17. Intellectual property law	.02	.05	.04	-.03	-.05	-.03	-.01		
18. Labor law	.00	.01*	.04	.03	-.12*	.08*	-.18*	.09*	
19. Estate/probate law	.01	-.02	.02	-.09*	-.07*	.08*	.17	-.14*	-.14*
20. Tax law	.10*	.05	.10*	.12*	-.24*	.03	.24*	.01	.08*
21. Insurance law	.08*	-.08*	-.04	.01	-.18*	-.09*	-.02	-.01*	-.12*
22. Tort law	-.11*	.00	-.05	-.13*	-.01	.01	-.16*	.10*	.19*
23. Parent firm size	.04	.01	-.03	-.01	.05	.01	-.11*	.26*	-.01
24. Parent firm age	-.07*	.06	-.05	-.05	.11*	.25*	-.13*	.05	.17*
25. Women partners when founder joined parent	-.04	.17*	.00	-.05	-.16*	-.14*	-.10*	-.02	.32*
26. Women associates when founder joined parent	-.02	.04	.04	-.00	.18*	-.08*	-.02	-.00	-.03
27. Firm founded with women	.08*	-.01	-.02	.22*	-.10*	.04	.06	.10*	.02
28. Founder was a former associate	-.01	.04	.02	-.02	-.33*	.01	-.06	.16*	.23*
29. Years worked with women partners	-.02	.02	-.03	-.01	.13*	.01**	-.03	.08*	.02
30. Years worked with women associates	-.00	-.01	.00	-.03	.32*	-.10*	-.09*	.14*	.12*
31. Proportion of years parent had women partners	.05	.09*	.11*	-.01	-.05	.03	.12*	.09*	.16*
32. Proportion of years parent had women associates	.04	.02	.02	-.03	.17*	-.03	.07*	.20*	.14*
33. Logged absolute difference in leverage ratio	.11*	-.09*	-.05	.01	-.05	-.11*	-.05	.09*	.07*

(Continued on next page)

## Gender Inequality

Table 4

(continued)

Variable	19	20	21	22	23	24	25	26	27
20. Tax law	.35*								
21. Insurance law	-.05	-.09*							
22. Tort law	-.28*	-.13*	.26*						
23. Parent firm size	-.11*	-.05	-.08*	-.03					
24. Parent firm age	-.03	-.03	-.10*	.23*	.37*				
25. Women partners when founder joined parent	-.13*	-.01	-.10*	.22*	-.06	.34*			
26. Women associates when founder joined parent	-.15*	-.00	-.01	-.01	-.02	-.11*	-.01		
27. Firm founded with women	-.11*	.10*	.13*	-.02	.14*	.04	.04	.01	
28. Founder was a former associate	-.02	.15*	.03	.16*	.18*	.39*	.17*	-.02	
29. Years worked with women partners	-.09*	-.04	.02	.01	.18*	.25*	-.06	-.01	
30. Years worked with women associates	-.22*	-.02	-.01	.18*	.37*	.24*	.01	.02	
31. Proportion of years parent had women partners	-.11*	.14*	.09*	.02	-.03	-.10*	.10*	.05	
32. Proportion of years parent had women associates	-.21*	.10*	.04	.06	.25*	.08*	.06	.13*	
33. Logged absolute difference in leverage ratio	-.20*	.10*	.12*	.09*	.07*	-.18*	-.02	.08*	
Variable	29	30	31	32	33				
30. Years worked with women associates	.31*								
31. Proportion of years parent had women partners	.15*	.17*							
32. Proportion of years parent had women associates	.44*	.70*	.45*						
33. Logged absolute difference in leverage ratio	.02	.13*	.14*	.15*					

\*  $p < .05$ .

Hypothesis 2 is also supported ( $p < .01$ ) and holds across all models and controls. Founders are less likely to make women partners in their new firms when their parent firms had a long history of women subordinates. Together, models 2 and 4 suggest that the likelihood of a woman being made partner is lowest when the parent firm had a long history of women associates without ever having a woman partner.<sup>6</sup>

### Social Contact with Female Leaders and Subordinates

Although the variable for the number of years a founder worked with women partners is in the expected direction, hypothesis 3 is not supported. Founders who worked beside women partners are no more likely to promote women than founders who did not work beside women partners. Hypothesis 4 is supported in model 3 but loses significance in model 4, when the institutionalization variables are included. Partial support for hypothesis 4 suggests that direct contact with women subordinates may lead founders to discount women's ability to lead when they found new firms, but this effect is confounded by institutionalized female subordination ( $r = .70$ ).

Because my models include both men and women founders, they cannot clearly test Allport's (1954) theory about whether a majority's (men's) interaction with a minority (women) would result in the majority having a higher or lower evaluation of the minority. To test whether the social contact hypotheses were supported for founding teams with only men, a sample that better matches Allport's theory, I reran the analysis excluding firms that had any women on their founding teams, reducing the sample size to 100 firms. Hypotheses 3 and 4 were supported in these models (as were hypotheses 1 and 2), but the models were less likely to converge because there are fewer cases and thus much less variance to explain in the all-male models, giving reason to be cautious about the results. The only other difference

<sup>6</sup> Following an anonymous reviewer's insight, I found evidence that the routines associated with a woman partner's presence in the recent history of the parent firm have a stronger effect on the founder than routines associated with a woman partner's presence much earlier in the life of the parent firm. This suggests that routines closer to the time of the founder's departure have a greater influence than those from earlier in the life of the parent firm.

Table 5a

**MLE of a Silicon Valley Law Firm with Both Men and Women at Founding (N = 788 firm-years; 134 firms)\***

Variable	(1)	(2)	(3)	(4)
Firm age: 0 to 3 years	-6.83 (2.93)	-10.19 (4.18)	-6.25 (3.70)	-9.33 (5.14)
Firm age: 3+ years	-6.45 (2.93)	-9.37 (4.01)	-5.96 (3.63)	-8.40 (4.93)
Time trend	0.22*** (0.07)	0.38*** (0.10)	0.24*** (0.07)	0.39*** (0.11)
Log(partners)	-0.16 (0.60)	0.06 (0.65)	-0.11 (0.61)	-0.14 (0.70)
Log(associates)	-0.39 (0.46)	-0.90 (0.56)	-0.59 (0.48)	-1.01+ (0.58)
Firm is a branch office	1.88** (0.91)	2.82** (1.28)	2.09** (0.96)	2.73** (1.34)
Firm located in north Silicon Valley	-2.07** (0.94)	-6.42*** (1.77)	-2.95** (1.27)	-7.01*** (1.93)
Firm is a local innovator	1.84 (1.32)	5.11** (2.08)	2.17 (1.49)	6.34*** (2.28)
Partner growth rate	4.04** (1.77)	5.04** (2.37)	3.80** (1.86)	5.62** (2.58)
Partner attrition rate	-3.54 (2.87)	-7.49* (4.52)	-4.73 (3.42)	-7.82* (4.69)
Associate growth rate	-1.10 (1.86)	-1.14 (1.79)	-1.00 (1.95)	-1.31 (1.93)
Associate attrition rate	-1.42 (1.53)	-1.55 (1.57)	-1.04 (1.55)	-1.59 (1.68)
Proportion of women associates	0.57 (0.94)	0.33 (1.13)	0.53 (0.95)	0.43 (1.21)
Parent firm size when founder left	0.00 (0.01)	0.00 (0.01)	0.02 (0.01)	0.02 (0.02)
Parent firm age when founder left	-0.05 (0.04)	-0.04 (0.04)	-0.07 (0.05)	-0.09 (0.06)
Average age of the founders	-0.06 (0.06)	-0.08 (0.09)	-0.08 (0.08)	-0.09 (0.10)
Standard deviation of the age of the founders	0.09 (0.08)	-0.05 (0.11)	0.10 (0.08)	-0.09 (0.13)
Proportion women partners when founder joined parent	8.99** (4.04)	15.59*** (5.72)	12.80*** (5.11)	22.84*** (8.13)
Proportion women associates when founder joined parent	0.57 (1.67)	0.60 (2.04)	0.51 (1.97)	0.16 (2.61)
Founder was a former associate	1.02 (0.88)	3.03*** (1.18)	1.36 (0.96)	3.21** (1.38)
Firm founded with women	-0.76 (1.59)	-0.53 (1.81)	-1.15 (1.85)	-1.20 (2.24)
Proportion years parent had women partners		8.90*** (2.57)		9.90*** (2.82)
Proportion years parent had women associates		-7.41*** (2.40)		-6.46** (3.68)
Years worked with women partners			0.06 (0.19)	0.32 (0.31)
Years worked with women associates			-0.64** (0.34)	-0.59 (0.57)
BIC model fit	-5010.12	-5022.28	-5002.88	-5011.74
Wald chi-square	135.06*** (28)	81.19*** (30)	117.41*** (30)	76.00*** (32)

\*  $p < .10$ ; \*\*  $p < .05$ ; \*\*\*  $p < .01$ ; one-tailed test for hypotheses.

\* Standard errors are in parentheses. All models include controls for practice areas.

between the results in the all-male sample and the main sample used in these analyses is that the control variables for the mean and variance in founder age were negative and significant. This suggests that older male founders and founders with little difference in their ages were less likely to promote women to partner. In sum, to the extent that there is support for Allport's social contact theory, my analyses suggest that the effect may exist for male founders only.

### Institutionalization Hypotheses and Founder's Former Rank

Model 5 in table 5b tests whether the institutionalized female leadership and subordination effects vary by the previous rank of the founder. In particular, the models examine whether the two institutionalized variables have their strongest effect when carried from the parent firm by a former associate, compared with a former partner (the reference category). The results suggest that former associates are more likely to be influenced by the parent's gender hierarchy than former partners, supporting hypotheses 5a and 5b ( $p < .01$ ,  $p < .05$ ). Founders who were former associates are more likely to make a woman a partner when the parent firm had a history of female leadership. The effect is substantial: arbitrarily setting the level of institutionalized female leadership equal to 0.5, the effect for a former associate is 2.84 times stronger than for a former partner. Similarly, if the level of institutionalized female subordination is set equal to 0.5, the effect for a former associate is 3.31 times stronger than for a former partner. The evidence for H5a and H5b together strongly suggests that former associates are more likely to be influenced by the parent's institutionalized female leadership and subordination than former partners.

Model 6 tests whether the effects of social contact with women partners and associates vary by the former rank of the founder, a result that was not formally hypothesized. There is no statistically significant evidence that former associates are more influenced by social contact with women leaders than are former partners. There is weak evidence that former associates are more influenced by social contact with women subordinates than are former partners ( $p < .10$ ). Additional analyses using the 100 firms with only male founders also lacked statistically significant results. Overall, there is little evidence that Allport's theory is stronger for former associates than it is for former partners.

### The Transfer of Routines

Model 7 examines the relationship between the proposed institutionalized effects and the similarity between the parent and progeny law firms. Hypotheses 6a and 6b proposed that progeny who are very different from the parent firm with respect to the routines for the organization of work (captured by the difference in the leverage ratio) are less likely to replicate the parent firm's gender hierarchy. In support of hypothesis 6a, the coefficient for the interaction between the difference in leverage ratios and institutionalized female leadership is negative and statistically significant. Routines associated with institutionalized female leadership are less likely to be transferred when the progeny has enacted workplace-management routines that are different from its parent's set of routines. This suggests that the routines that also replicate the parent firm's structure and organization of work are transferred with the routines that promote female leadership. Testing hypothesis 6b, the coefficient for the difference in leverage ratios and the institutionalized female subordination variable is positive as expected, but the effect is not statistically significant, failing to support hypothesis 6b. Even so, the overall results in model 7 lend credence to the argument that

Table 5b

**MLE of a Silicon Valley Law Firm with Both Men and Women at Founding (N = 788 firm-years; 134 firms)\***

Variable	(5)	(6)	(7)
Firm age: 0 to 3 years	-13.73 (5.34)	-5.15 (3.68)	-12.07 (5.10)
Firm age: 3+ years	-11.62 (4.95)	-4.80 (3.64)	-10.83 (4.76)
Time trend	0.55 <sup>***</sup> (0.14)	0.24 <sup>***</sup> (0.07)	0.49 <sup>***</sup> (0.15)
Log(partners)	-0.74 (0.81)	-0.24 (0.63)	0.15 (0.82)
Log(associates)	-1.06 (0.67)	-0.85 (0.53)	-0.93 (0.73)
Firm is a branch office	4.27 <sup>**</sup> (1.67)	2.15 <sup>**</sup> (1.04)	3.18 <sup>**</sup> (1.51)
Firm located in north Silicon Valley	-9.17 <sup>***</sup> (2.62)	-3.37 <sup>**</sup> (1.41)	-8.12 <sup>***</sup> (2.24)
Firm is a local innovator	10.72 <sup>***</sup> (3.37)	1.78 (1.52)	6.63 <sup>***</sup> (2.41)
Partner growth rate	9.12 <sup>***</sup> (3.16)	3.99 <sup>**</sup> (1.88)	5.34 <sup>**</sup> (2.28)
Partner attrition rate	-6.85 (4.18)	-4.59 (3.83)	-6.95 <sup>*</sup> (4.09)
Associate growth rate	-3.60 (2.31)	-1.02 (1.92)	-1.16 (1.92)
Associate attrition rate	-1.83 (1.86)	-0.94 (1.64)	-1.96 (1.71)
Proportion of women associates	0.93 (1.33)	0.61 (0.96)	0.64 (1.23)
Parent firm size when founder left	0.02 (0.02)	0.03 <sup>*</sup> (0.01)	-0.00 (0.01)
Parent firm age when founder left	-0.03 (0.05)	-0.10 <sup>*</sup> (0.06)	-0.05 (0.04)
Average age of the founders	-0.13 (0.12)	-0.09 (0.08)	-0.11 (0.10)
Standard deviation of the age of the founders	0.08 (0.14)	0.08 (0.09)	0.01 (0.11)
Women partners when founder joined parent	30.47 <sup>***</sup> (9.19)	11.31 <sup>**</sup> (5.49)	18.97 <sup>***</sup> (6.75)
Women associates when founder joined parent	2.82 (2.63)	0.28 (2.12)	1.11 (2.54)
Founder was a former associate	2.37 (1.61)	1.96 <sup>*</sup> (1.11)	3.23 <sup>**</sup> (1.36)
Firm founded with women	-0.82 (2.47)	-1.67 (1.99)	-0.12 (2.01)
Proportion years parent had women partners	9.53 <sup>***</sup> (3.23)		10.41 <sup>***</sup> (2.83)
Proportion years parent had women associates	-5.45 <sup>***</sup> (2.16)		-9.13 <sup>***</sup> (3.01)
Years worked with women partners		0.25 (0.21)	
Years worked with women associates		-0.74 <sup>*</sup> (0.54)	
(Former assoc.)×(Prop. years parent had women partners)	12.76 <sup>***</sup> (4.36)		
(Former assoc.)×(Prop. years parent had women associates)	-14.03 <sup>**</sup> (5.53)		
(Former assoc.)×(Years worked with women partners)		-1.52 (2.49)	
(Former assoc.)×(Years worked with women associates)		0.31 (0.61)	
Logged absolute difference in ratio			0.34 (0.64)
(Ratio diff.)×(Proportion years parent had women partners)			-2.12 <sup>**</sup> (1.27)
(Ratio diff.)×(Proportion years parent had women associates)			2.08 (3.70)
BIC model fit	-5023.30	-4992.10	-5005.25
Wald chi-square	58.03 <sup>***</sup> (32)	112.05 <sup>***</sup> (32)	72.50 <sup>***</sup> (33)

\*  $p < .10$ ; \*\*  $p < .05$ ; \*\*\*  $p < .01$ ; one-tailed test for hypotheses.

\* Standard errors are in parentheses. All models include controls for practice areas.

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gender hierarchies are embedded in the routines that founders take to their new firms, especially those routines associated with institutionalized female leadership.

### Comparing Progeny with de Novo Firms

The four models in table 6 test whether founders of progeny law firms with exposure to institutionalized female leadership and subordination differed from de novo law firms (the refer-

Table 6

#### MLE of a Silicon Valley Law Firm Having a Woman Partner (N = 2660 firm-years; 421 firms)\*

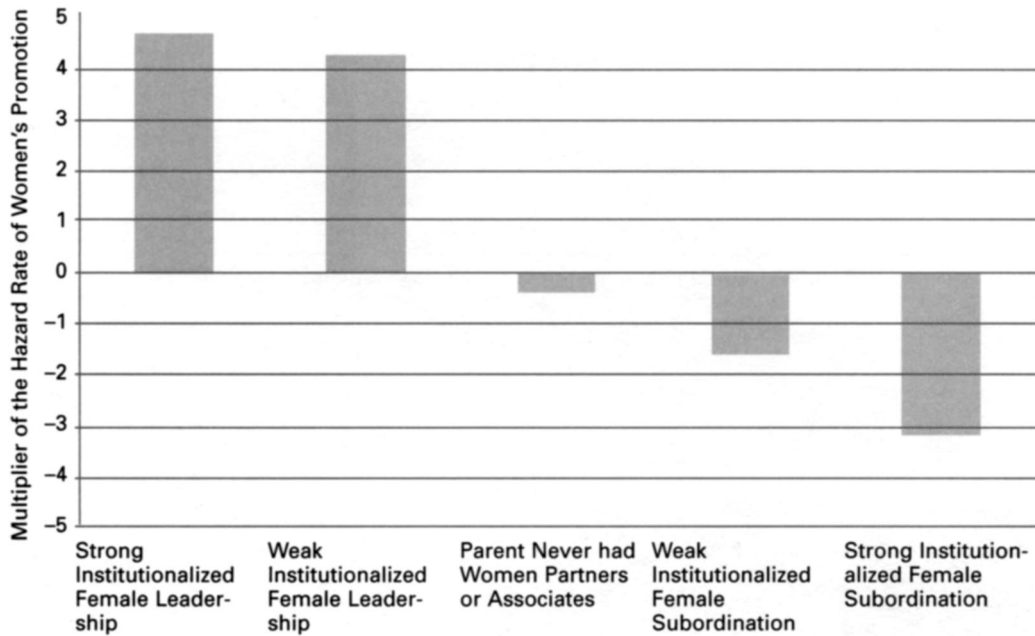
Variable	(1)	(2)	(3)	(4)
Firm age: 0 to 3 years	-5.44 (1.64)	-5.44 (1.64)	-6.03 (1.72)	-6.22 (1.73)
Firm age: 3+ years	-5.21 (1.62)	-5.21 (1.62)	-5.52 (1.68)	-5.65 (1.68)
Time trend	0.08*** (0.03)	0.08*** (0.03)	0.09*** (0.03)	0.08*** (0.03)
Log(partners)	1.04*** (0.27)	1.04*** (0.27)	1.35*** (0.28)	1.42*** (0.29)
Log(associates)	-0.19 (0.19)	-0.19 (0.19)	-0.24 (0.19)	-0.24 (0.19)
Firm is a branch office	0.47 (0.37)	0.47 (0.36)	0.37 (0.38)	0.35 (0.38)
Firm located in north Silicon Valley	-1.90*** (0.46)	-1.90*** (0.46)	-2.10*** (0.48)	-2.05*** (0.49)
Firm is a local innovator	0.08 (0.42)	0.08 (0.42)	0.11 (0.43)	0.06 (0.44)
Partner growth rate	3.19*** (0.95)	3.19*** (0.97)	3.21*** (1.01)	3.26*** (1.01)
Partner attrition rate	-0.57 (1.03)	-0.56 (1.03)	-1.32 (1.16)	-1.16 (1.15)
Associate growth rate	0.47 (0.61)	0.47 (0.61)	0.36 (0.62)	0.36 (0.62)
Associate attrition rate	-0.68 (0.83)	-0.68 (0.83)	-0.81 (0.86)	-0.89 (0.86)
Proportion of women associates	0.61 (0.47)	0.61 (0.47)	0.53 (0.49)	0.51 (0.49)
Average age of the founders	-0.03 (0.03)	-0.03 (0.03)	-0.02 (0.03)	-0.01 (0.03)
Standard deviation of the age of the founders	-0.00 (0.03)	-0.00 (0.03)	-0.03 (0.03)	-0.03 (0.03)
Founder was a former associate	0.13 (0.46)	0.14 (0.53)	0.70 (0.56)	0.81 (0.55)
Any progeny		-0.00 (0.42)		
Progeny from parent with strong institutionalized female leadership			4.35*** (0.87)	4.67*** (0.92)
Progeny from parent with weak institutionalized female leadership			3.67*** (1.57)	4.23*** (1.65)
Progeny from parent that has never had women partners or associates			-0.30 (0.49)	-0.35 (0.49)
Progeny from parent with weak institutionalized female subordination			-2.52** (1.39)	-1.60 (1.52)
Progeny from parent with strong institutionalized female subordination			-4.46*** (1.21)	-3.17** (1.86)
Progeny founders have worked with women partners				-1.37 (1.24)
Progeny founders have worked with women associates				-0.78 (1.67)
BIC model fit	-17553	-17553	-17577	-17579
Wald chi-square	518.78*** (28)	518.78*** (29)	462.66*** (33)	459.64*** (35)

\*  $p < .10$ ; \*\*  $p < .05$ ; \*\*\*  $p < .01$ ; one-tailed test for hypotheses.

\* Standard errors are in parentheses. All models include controls for practice areas.



**Figure 2. Comparing progeny with institutionalized leadership and subordination with de novo firms (the reference category).**



ence category). Here all 421 firms that existed from 1963 to 1996 are included. The set of models support hypotheses 7a and 7b, with the results graphically displayed in figure 2. Model 1 examines the control variables. Model 2 enters a dummy variable for whether the firm is any type of progeny (has a parent firm in Silicon Valley). The effect is insignificant, showing that on average, progeny are no more likely to promote women to partner than de novo firms. Yet models 3 and 4 indicate that this dummy variable masks considerable variance in subpopulations of progeny firms. Model 3 enters dummy variables that distinguish between different types of progeny, and model 4 enters controls for social contact between women partners and associates. Supporting hypothesis 7a, law firm progeny with institutionalized female leadership from their parent firms are more likely to promote women to partner than de novo firms ( $p < .01$ ). Hypothesis 7b is also supported for "strong" institutionalized female subordination ( $p < .05$ ), in which the parent firm had women associates for more than 25 percent of the firm's lifetime.

I also ran each of the analyses in tables 5a, 5b, and 6 with different weights for the institutionalization and social contact variables. For example, I multiplied the original institutionalization variables by the proportion of women at that particular level. These weighted variables were slightly less significant (but still statistically significant) and did not otherwise alter the results.

For each of the models in this paper, model fit is determined by the Bayesian Information Criterion (BIC), which is applied to survival models (Schwarz, 1978; Raftery, 1995; Burnham and Anderson, 1998; Volinsky and Raftery, 1999).<sup>7</sup> The BIC approximates the ratio of posterior probabilities for two competing models (a baseline null model and an alternative

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The formula for BIC is  $Dev_M - df_M * \ln(N)$ , where  $Dev_M = (-2) \log \text{likelihood}$ ,  $df_M = N - \text{the number of parameters (including the intercept)}$ , and  $N$  is the number of cases. This goodness-of-fit indicator is a more conservative means of comparing the relative fit between two models (that need not be nested), especially when the models are complex (e.g., many degrees of freedom). Compared with simply using the log likelihood, the BIC tends to make it more difficult to reject the null model when the alternative is complex.

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model). The model with the lowest BIC explains the data with the least expected loss of information. A difference in BIC values greater than 6 is considered as strong evidence that the model with the lowest BIC is better fitting; differences greater than 10 are considered very strong evidence (Raftery, 1995). For example, in table 5a, the improvement from model 1 to model 2 is 12.16, suggesting that the evidence is very strong that model 2 is better, with a smaller expected loss of information.

## DISCUSSION

This paper presents an initial effort at understanding how organizational genealogies affect gender inequality. I offer evidence that a parent firm's gender hierarchy is important to understanding the advancement of women in that firm's offspring. Not only do founders respond to female leadership in their parent firm, they respond to female subordination as well. Overall, the evidence that institutionalized female leadership and subordination affect women's partnership chances in the next generation of organizations is compelling. The findings suggest that founders from firms that have routines that improve women's promotion chances transfer those routines to facilitate women's success in their new firms. If the parent firm's routines deny women promotion opportunities, however, women in the founder's new firm face lower promotion chances.

The findings also suggest that, over time, at least three intergenerational subpopulations of law firm offspring may form. The first subpopulation is characterized by no intergenerational influence of gender inequality because the progeny's parent had no women associates or partners. These progeny are no different from de novo firms. A second subpopulation of firms may exist in which gender inequality persists across generations. Here, men leave firms in which women are institutionalized as subordinates and found new firms that deny women leadership positions, recreating gender inequality. A third subpopulation may be characterized by the intergenerational transfer of routines, cultures, or structures that improve women's promotion chances.<sup>8</sup>

Another finding of this paper is that former associates are more influenced than former partners by the history of female leadership and subordination in the parent firm. Whereas associates are rarely exposed to a wide range of routines and receive greater legitimacy from constituents (e.g., clients) by replicating the structure and routines of the parent firm, former partners often leave with the explicit goal of deviating from the parent firm's routines.

Also supporting the institutionalization hypotheses, I found that progeny firms that had a different organization of work were less likely to be influenced by the routines of the parent firm surrounding female leadership. To the extent that a progeny law firm operated with a different leverage ratio than its parent firm, it was less likely to replicate the routines of the parent firm and thus less likely to have transferred the routines that reproduce gender inequality.

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I also ran models predicting the rate at which attorneys left firms to found progeny as a function of women partners and associates in the parent firm. The objective was to determine whether founders were more or less likely to have worked in firms with women partners and associates. The models revealed that firms with women partners or associates were no more likely to become parent firms and thus no more likely to be sources of gender hierarchies for the next generation.

The social contact hypotheses received weaker support in this study. This may be due to the fact that the founding teams in my main models have both men and women members. When models of men-only firms were run, a subsample more consistent with Allport's (1954) framework, the results were consistent with my hypotheses. Thus, to the extent that Allport's social contact thesis is valid, it applies more to male than to female founders.

### Scope Conditions

In considering the generalizability of my findings, it is important to incorporate the scope conditions of my theory. Given the diversity of organizational forms and environments, the genealogical persistence of gender inequality is unlikely to operate similarly in every research setting. At the same time, the theory should apply outside the context of law firms, subject to at least four scope conditions: (1) the organization of work is central to a firm's identity; (2) the transfer of firm-specific routines for the structure and organization of work is not too costly; (3) there should be substantial status distance between the subordinate position and the leadership position; and (4) gender inequality is historically rooted in organizational positions that are accepted as varying by their gender appropriateness.

First, I expect that the genealogical persistence of gender hierarchies will occur more often in settings in which management-workplace routines are central to the firm's identity and a source of legitimacy. The centrality of these routines makes them more likely to be transferred by a departing founder. With law firms, the organization of work (e.g., the leverage ratio, up-or-out system) is easily documented as central to a firm's identity, culture, strategy, and competitiveness (Galanter and Palay, 1991; Kordana, 1995; Sherer, 1995) and thus is more likely to be transferred. In general, I would expect that organizations such as professional service firms, sales-oriented firms, and academic institutions would be other contexts in which the organization of work is central to organizational identity.

Second, not only must organization-specific routines be central, there should be relatively little cost in transferring them (Nelson and Winter, 1982). To the extent that a parent firm's core technology is driven by human assets rather than physical assets, a potential founder can more easily leave with routines and implement them in the new firm without effective resistance from the parent firm. In law firms, like most professional service organizations, human assets drive production; they are the core technology of the organization. When attorneys leave, they take their own human (and social) capital with them. While there is often a cost to the parent firm (Phillips, 2002), there are few meaningful barriers that a parent law firm can erect to prevent the movement of routines.

Third, my emphasis on the distinction between leadership and subordination acknowledges that there needs to be a substantial status distance between the lower-ranked position and the higher-ranked position. One reason why "institutionalized subordination" exists in law firms is because asso-

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ciates are fundamentally lower in status and subordinate to the partners (Smigel, 1969). Thus attempts to replicate my findings should insure that an organization's subordinate or lower-ranked positions are clearly lower-status when compared with the higher-ranked positions under examination.

Finally, the transfer of gender hierarchies is stronger in law firm partnerships, contexts in which women have been traditionally denied promotion opportunities (Nelson, 1988; Ziewacz, 1996). Indeed, being a woman partner is seen by some as a deviant role identity (Yoder, 1991). Women associates occupy a more gender-appropriate role than do women partners (Epstein, 1970; Yoder, 1991). In fact, few institutions have greater gender inequality than law firms, especially at the level of partnership (see Chaves' 1996 work on women clergy for an exception). Thus support for my arguments should be weaker in settings in which female leadership is more often seen as gender-appropriate.

As the scope conditions I outlined suggest, the empirical support for my arguments must come with an understanding of the context. The organizational structure of law firms and the market for legal services place a unique set of demands on all attorneys, independent of gender. Future research should seek to verify whether the scope conditions I outlined are sufficient to understand the theory's application to other organizational settings.

My data are typically from small and young organizations. While this may prompt concerns about external validity, there is a substantial benefit. The use of small firms increases the relevance of group-level research on the emergence and persistence of gender hierarchies (Berger, Rosenholtz, and Zelditch, 1980; Ridgeway, 1997; Lucas, 2003; Troyer, 2004) because small firms are closest to the laboratory groups in which the replication of routines and gender hierarchies has been experimentally identified. Moreover, the size and age of my firms allows comparison with other studies on entrepreneurship, especially those that also examine the attainment of women (Baron et al., 2002; Stuart and Ding, 2004).

In addition to exploring other types and sizes of organizations, future work should empirically document the transfer of routines from the parent to the progeny. Specifically, we need a more precise understanding of what is transferred from the parent to its offspring. While the examples of workplace-management routines given in tables 1 and 2, and the finding that female institutionalized leadership is stronger when the founder also replicated the parent firm's organization of work (in model 7 of table 5b), shed light on this question, we need to be able to clearly distinguish the transfer of routines as policies (e.g., recruitment and promotion policies) from, let's say, the culture the founder instills (Schein, 1992). Future scholarship should seek to understand whether the transfer needs be purposive and whether its implications for gender hierarchies are intentional.

## **CONCLUSION**

This research provides evidence that opportunity structures are reproduced across organizational generations. In the liter-

ature on law firms, there is continuing attention to the persistence of gender inequality (Kay and Hagan, 1995; Hull and Nelson, 2000), but its structural antecedents in this and other contexts have been too often neglected. Directing our attention to the intergenerational transfer of institutionalized structures, routines, and values that reproduce gender inequalities is an important early step in eliminating them. Our understanding of the diversity of opportunity structures utilized by employers is incomplete without considering the opportunity structures of the previous organizational generation and the characteristics of organizations that spawn offspring. As founders leave their parent organizations, the organizational models they carry with them reproduce the set of employment opportunities and constraints faced by employees in the parent firm. In other words, the intergenerational diffusion of employment practices may contribute to the persistence of employment models over time, directly or indirectly affecting the opportunities for a new generation of employees.

Overall, this paper suggests new avenues for inquiry for scholars in a number of research traditions. First, for entrepreneurship scholars, future research should consider not only routines and innovations that are purposively transferred by founders, but also those routines that are unintentionally transferred. Documenting that offspring resemble their parents in unintended ways not only presents a new avenue in organizational research, it also opens up the more compelling question of what the consequences are of the unintended transfer of routines, structures, and roles for new organizations. Indeed, the need to explore the unintended transfer of routines, structures, and roles emphasized here applies to any study of interorganizational mobility, especially when the organization of work is central to the theoretical question.

Second, this research presents a call to better understand how the set of routines transferred are shaped by the founder's former position in the parent firm. In this paper, I found that higher-status senior members transfer routines differently than junior members. In some other organizational contexts, I would expect that organizational members from the core of the parent firm transfer different routines than members from the parent firm's periphery. Similarly, scholars studying technology-oriented organizational contexts should find that employees in positions that involve new innovations should transfer routines that are different than employees in positions that are more associated with management skills. In general, the variety of routines transferred should be a function of the variety of organizational positions from which former employees come.

Finally, the promise of a genealogical approach to organizations lies not only in uncovering the replication of structures and routines but in understanding in the consequences of the replication of routines for critical issues such as gender inequality. To the extent that gender inequality is embedded in organizational structures and routines, there is a risk that it will be replicated when employees leave to start new firms. Indeed, even founders who seek to improve the lack of success women faced in their previous employer may unintentionally

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tionally replicate the inequality in their new firms by transferring routines that have unintended or unexpected consequences. At the same time, founders from firms that have institutionalized female leadership may replicate the success of women in their new firms whether or not it is their objective to do so. Ultimately, this research points to the importance of directly examining the structural antecedents of gender inequality and to the value of a genealogical perspective on organizations.

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