

We use detailed administrative data to examine how German establishments organize hierarchy structures and internal career ladders. Our data show that there are multiple career ladders within organizations, and these career ladders vary widely in two key dimensions: wage and leadership opportunities. Building on this evidence, we develop a typology of career ladders, enabling us to establish if an empirically observed career ladders is “strategic,” “expert”, “supervisory,” or “support.” Our analysis reveals that the internal career structure of organizations has a significant impact on both organizational and individual outcomes. At the organizational level, establishments with a higher proportion of their workforce in support or supervisory career ladders tend to be less productive than otherwise comparable establishments with greater shares of workers in strategic or expert ladders. At the individual level, female workers are notably less likely to enter strategic ladders compared to their male counterparts.