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# What's Holding Back Women in Corporate America

COMMENTARY

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**Will women have sit on the sidelines forever?**

Photograph by Ilirich Baumgarten via Getty Images

<http://fortune.com/2016/01/15/pinterest-women-careers/>

## It's often overlooked, but it's a big deal.

Pinterest recently announced hiring its first head of diversity, a move intended to increase its hiring of women and minorities. But even as high-profile companies put more emphasis on creating a diverse workforce, women often remain at a disadvantage against men when it comes to getting the top job and pay. Needless to say, several factors work against women in the workplace from paid parental leave to stereotypes, but one contributing factor, in particular, is worth a deeper dive: women's aversion to competition.

Most women avoid competing against others, even if the rewards are big and they are the most qualified candidates to win, according to research I conducted recently with Ernesto Reuben at Columbia University and Luigi Zingales at University of Chicago. The [study](#) on the gender gap among young business professionals illustrates how having a taste for competition links to employment outcomes, such as landing a job or turning an internship into a full-time job. In our study, male and female MBA students were measured for their competitiveness at the beginning of the program using an experiment: Participants were given the choice of two scenarios in which they could earn a nominal amount of money by correctly answering simple arithmetic problems. They could earn \$4 for every correct answer in a timed solo game of solving simple math problems, or earn \$16 per correct answer if they scored the highest performance in a tournament among four participants.

In the experiment, women chose the tournament option too rarely — even when they would have earned more money doing so in the experiment. Men were twice as likely as women to choose the tournament, even when it was more likely that they would do better in the solo game, without other competitors. Women and men differ in their willingness to compete, partly because men believe to be better than they are and women believe to be worse than they are.

The research using MBA students mirrored the results of a [well-known study](#) on gender and competition. Our latest research furthered those findings by connecting individual willingness to compete with job market outcomes for MBA students, based on information collected on the MBA students' internships and jobs.

What's more, the study looked at the different stages of the recruiting and hiring process, revealing

that having a taste for competition plays a role in the form of capturing employers' interest and getting interviews; expressing interest in firms they bid for interviews; landing internships and turning them into permanent jobs. Those individuals who choose to compete in a tournament tended to earn more in their first position after graduating from their MBA program. What's more, they were more likely to work in higher-paying industries and remain in these industries several years later. Overall, people with a taste for competition earned 9% more than their less competitive counterparts.

Although this sample may not be representative of the general population, the results are nonetheless telling when it comes to MBA graduates and the **business world** where large gender differences persist, including the consulting and finance industries. Willingness to compete is rewarded with higher salaries in certain industries (e.g., investment banking), and paying more attention to women's aversion to competition may help position them in a more positive light.

It should be noted, however, that taste for competition accounts for only 10% of the gender gap in earnings, according to our research findings. The other 90% of the gender gap is due to other factors, which deserve to be researched to gain a fuller understanding.

Clearly, bias exists. Gender diversity initiatives need better intentions. Several technology firms, including Twitter ( **TWTR** ▼ **-5.58%** ), Facebook ( **FB** ▼ **-3.46%** ), Google ( **GOOG** ▼ **-2.96%** ), and Yahoo ( **YHOO** ▼ **-3.03%** ), have committed to accountability by **releasing annual diversity reports**. Another hiring trend among some technology companies is to use "**blind hiring**" practices, focusing only on a person's work with no knowledge of his/her name or alma mater. In these scenarios, job candidates are invited to perform a challenge—for example, writing a software program. Companies then bring in the top performers for interviews and, potentially, job offers.

While diversity initiatives are a positive step forward, what may be most effective of all is further research to gain a greater understanding of all the underlying reasons and unconscious biases that reinforce the gender gap.

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1 Comment

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