

# Are Women Less Competitive than Men? Explaining the Gender Gap

**T** [business.time.com/2010/11/30/are-women-less-competitive-than-men-explaining-the-gender-gap](http://business.time.com/2010/11/30/are-women-less-competitive-than-men-explaining-the-gender-gap)

By Stephen Gandel

Nov. 30, 2010

**Why are there fewer female CEOs? One professor says he has the answer. Call it the Competition Gap.**

For the past four decades, ever since women began vying with men in the workforce on a large-scale, economists have wondered when gender differences in pay and achievement would shrink. In recent years the question has shifted from when to why not already. Some blame discrimination. Others say women face more difficult career paths than men because of child-birth. But a growing number of academic economic studies, including a new one that was published this week as a working paper from the National Bureau of Economic Research, are increasingly pointing to a new reason for gender inequalities in the workforce. **When it comes to competitiveness, women just don't stack up.**

Yes, women, on average, have seemed to fare better in this recession than men at least in terms of employment. And women play a more powerful role in our economy than ever before. Nonetheless, it's clear that **women still lag men in the workforce. And not just here, but nearly everywhere.** In mid-October, the World Economic Forum found in its annual report on gender inequalities that in every single country for which there is data females tend to earn less than males in similar jobs.

In the latest study, *Do Competitive Work Places Deter Female Workers?*, researchers, headed by University of Chicago economics professor John List, placed help wanted ads for two similar positions on internet job boards. Both were clerical, but one was titled "Seeking Sports News Assistant." The other was described as more generic office work. In all, nearly 7,000 people replied to one of the two positions. Interested applicants received an e-mail detailing how the job would work. All were told they would have frequent deadlines, and there would be a high value placed on producing timely quality information. **Some applicants, though, were told they would be getting a fixed \$15 an hour for their work. Others were told the job would pay a base salary plus a bonus.** In the second scheme, the new hires would be placed in pairs, and the one whose work was deemed the best would get the additional pay. Still interested? Send in your resume and application, the e-mail said.

For both jobs, more females replied to both job listings than males. Of the applicants to the sports assistant position, 53.5% of those interested were women. The generic job listing was split 80-20 females to male. Here's the interesting part: for both jobs, when the element of the bonus was added, males were far more likely to actually send in their application than females. Or worded the other way around, **females were more likely to pass on the job once they found out part of their pay would be based on their performance versus a co-worker.** In

the most competitive salary structure, where the base pay was \$12 an hour and the bonus \$6, List determined that men were 55.5% more likely to apply for the job than women. The conclusion: Women don't like competition.

How does this relate to the gender gap? List says, anecdotally at least, it appears the industries and positions with the most competitive work environments tend to pay the most. Lise Vesterlund, an economist at the University of Pittsburgh, says she has observed the competition gap in her research as well. And she says it can have broad implications for the salaries and the careers of women in any industry. Many promotions, for instance, are the result of employees going to their bosses and telling them they are outperforming other workers. CEO succession often involves two or three top employees in an open competition for the head job. **If women don't like to compete, they are less likely to put themselves in these types of situation. That can allow less capable male workers to end up with the better job titles and bigger pay checks.**

"It is very hard to determine what part of the persistent gender imbalances in the labor market are because of discrimination or because women tend to take time off from the work place for child rearing," says List. "What we are proposing is that another at least non-trivial reason for that difference is that women shy away from competitive workplaces."

Marti Barletta, who thinks about women and the workplace a lot more than I do and is the author of the book *Marketing to Women*, agrees that women are less likely to engage in risk taking behavior, and that "boys and men are better braggars." Still, she doesn't think that automatically translates to higher, or lower, incomes.