Suppose you could eliminate the factors often blamed for the shortage of women in high-paying jobs. Suppose that promotions and raises did not depend on pleasing sexist male bosses or putting in long nights and weekends away from home. Would women make as much as men?

Economists recently tried to find out in an experiment in Pittsburgh by paying men and women to add up five numbers in their heads. At first they worked individually, doing as many sums as they could in five minutes and receiving 50 cents for each correct answer. Then they competed in four-person tournaments, with the winner getting $2 per
correct answer and the losers getting nothing.

On average, the women made as much as the men under either system. But when they were offered a choice for the next round - take the piece rate or compete in a tournament - most women declined to compete, even the ones who had done the best in the earlier rounds. Most men chose the tournament, even the ones who had done the worst.

The men's eagerness partly stemmed from overconfidence, because on average men rated their ability more highly than the women rated theirs. But interviews and further experiments convinced the researchers, Muriel Niederle of Stanford and Lise Vesterlund of the University of Pittsburgh, that the gender gap wasn't due mainly to women's insecurities about their abilities. It was due to different appetites for competition.

"Even in tasks where they do well, women seem to shy away from competition, whereas men seem to enjoy it too much," Professor Niederle said. "The men who weren't good at this task lost a little money by choosing to compete, and the really good women passed up a lot of money by not entering tournaments they would have won."

You can argue that this difference is due to social influences, although I suspect it's largely innate, a byproduct of evolution and testosterone. Whatever the cause, it helps explain why men set up the traditional corporate ladder as one continual winner-take-all competition - and why that structure no longer makes sense.

Now that so many employees (and more than half of young college graduates) are women, running a business like a tournament alienates some of the most talented workers and potential executives. It also induces competition in situations where cooperation makes more sense.

The result is not good for the bottom line, as demonstrated by a study from the Catalyst
research organization showing that large companies yield better returns to stockholders if they have more women in senior management. A friend of mine, a businessman who buys companies, told me one of the first things he looks at is the gender of the boss.

"The companies run by women are much more likely to survive," he said. "The typical guy who starts a company is a competitive, charismatic leader - he's always the firm's top salesman - but if he leaves he takes his loyal followers with him and the company goes downhill. Women C.E.O.'s know how to hire good salespeople and create a healthy culture within the company. Plus they don't spend 20 percent of their time in strip clubs."

Still, for all the executive talents that women have, for all the changes that are happening in the corporate world, there will always be some jobs that women, on average, will not want as badly as men do. Some of the best-paying jobs require crazed competition and the willingness to risk big losses - going broke, never seeing your family and friends, dying young.

The women in the experiment who didn't want to bother with a five-minute tournament are not likely to relish spending 16 hours a day on a Wall Street trading floor. It's not fair to deny women a chance at those jobs, but it's not realistic to expect that they'll seek them in the same numbers that men will.

For two decades, academics crusading for equality in the workplace have been puzzled by surveys showing that women are at least as satisfied with their jobs and their pay as men are. This is known as "the paradox of the contented female worker."

But maybe it's not such a paradox after all. Maybe women, like the ones who shunned the experimental tournament, know they could make more money in some jobs but also know they wouldn't enjoy competing for it as much as their
male rivals. They realize, better than men, that in life there's a lot more at stake than money.

For Further Reading:

Do Women Shy Away from Competition? by Niederle Muriel, and Lise Vesterlund (working paper)

Performance in Competitive Environments: Gender Differences by Uri Gneezy, Muriel Niederle and Aldo Rustichini (Quarterly Journal of Economics, CXVIII, August 2003, 1049 – 1074)


The First Sex: The Natural Talents of Women and How They Are Changing the World by Helen Fisher (Random House, 377 pp., May 1999)

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