Studies Suggest It’s Good Business to Hire Women Over Men. Here’s Why.

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Research from cognitive neuroscience and behavioral economics has consistently shown that women are held back from career advancement compared to men.

A study of managers in 20 Fortune 500 companies discovered that men had a faster career progression and received higher pay than women, despite the fact that women had similar qualifications, worked in the same industries and had consistent work experience.

Another study of 138 executives, half male and half female, found that women had to work harder to overcome barriers such as exclusion from informal networks and receiving less mentoring than men.

Additionally, a study of over 1000 MBA graduates revealed that women faced discrimination more often than men, and even when controlling for work experience, women earned less than men.

It is clear that the “glass ceiling” exists, and women face discrimination that hinders their advancement compared to men, despite having similar qualifications, skills and experience.

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However, employing women over men may be the key to success for your business, according to a wealth of scientific

research. Studies have shown that teams led by women tend to outperform those led by men and that companies with a higher proportion of women in leadership positions are more profitable.

One study published in the Harvard Business Review reports that companies with a higher proportion of women in top leadership positions “are more profitable, more socially responsible and provide safer, higher-quality customer experiences.” Focusing deeply on innovation, the study looked at 163 multinational companies over 13 years to determine how these firms’ long-term strategies shifted after women joined their top management teams. They discovered that firms became more open to change and less open to risk and shifted focus from M&A to R&D.

Other scholarship shows similar results. Research from the 1996 to 1997 National Organizations Survey revealed that firms with more gender diversity tend to have more clients, higher sales revenues and greater profits. Another study found that companies with at least 30% of women on their Board of Directors tend to be more profitable. Furthermore, a third study found that teams with gender balance tend to have better sales and profits compared to teams that are mostly male.

But why do teams led by women tend to perform better? Research suggests that women may be more effective leaders because they are more likely to foster a positive and inclusive work environment. Studies have found that women are more likely than men to encourage collaboration, share credit, and provide constructive feedback.

Additionally, women are often more adept at multitasking, which can be a valuable asset in today’s fast-paced business world. Women are also more likely to adopt a long-term perspective, which can be beneficial for a company’s long-term success.

However, it’s not just about the numbers. It’s also important to ensure that women are given equal opportunities to succeed and are not held back by unconscious bias.

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Companies that prioritize diversity and inclusion tend to have a more engaged workforce and a more positive company culture. This can lead to increased productivity and employee satisfaction, as well as a more innovative and adaptable workforce.

This discrimination is often the result of implicit bias, which refers to unconscious and unwarranted associations and assumptions that we make due to our gut reactions, intuitions and instincts around people we perceive to belong or not belong to our group. These biases can take the form of the halo effect, where we make a too-positive evaluation of other aspects of an individual based on one characteristic we like, or the horns effect, where we downgrade all of another person’s characteristics based on one aspect we dislike.

To address these biases, it is important to evaluate their consequences and take steps to counteract them. This can include implementing diversity and inclusion programs, training employees on implicit bias and its effects, and actively seeking out and promoting qualified women for leadership positions. Additionally, it is important for both men and women to be aware of their own biases and work to counteract them in their interactions with colleagues and in their decision-making processes.

Overall, the research is clear that discrimination against women in the workplace is a real problem, and that addressing implicit bias is crucial to promoting gender equality and creating a more inclusive and equitable workplace. By taking proactive steps to counteract these biases, organizations can

not only promote gender equality but also reap the benefits of improved performance and increased profitability.

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