

FOCUS ON RESEARCH

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## Something for the weekend

By Linda Anderson

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The gender gap at the top of many companies is a familiar theme and one that has been debated at length. However research by a professor from Columbia Business School points to the fact that there may be unconscious elements at work – that of men’s natural overconfidence. And he suggests that recruiters should to some extent take the claims of male candidates with a pinch of salt.

A man’s genuine belief in his own abilities and performance, suggests Ernesto Reuben, an assistant professor of management, may be a significant factor in male domination in the boardroom.

In their research, ‘The emergence of male leadership in competitive environments’, Prof Reuben and his colleagues Pedro Rey-Biel, an associate professor at Autonomous University of Barcelona, Paola Sapienza, a professor of finance at the Kellogg School of Management at Northwestern University and Luigi Zingales, professor of entrepreneurship and finance at the University of Chicago Booth School of Business, say that although part of the gender gap in the boardroom is down to discrimination they wanted to discover if there were other elements at work.

To find out if this was the case male and female MBA students were asked to answer a set of maths problems. A year later these students were questioned about their performance in the test and asked to assess how well they had done. As anticipated most of the participants overestimated their results. However, while female students rated their performance about 15 per cent better than it really was, the male students consistently rated their performance as 30 per cent higher. Subsequent tests involved the students forming teams and appointing a leader who was in some cases awarded a cash incentive if their team won. The researchers found that when a cash prize was on offer, while both male and female participants were equally willing to lie about their performance and thus be appointed leader, men were far more likely to exaggerate their performance than women.

The researchers say that this type of gender difference is hard to tackle because men’s over-confidence is honest.

“It’s not just a matter of telling men not to lie, because they honestly believe their performance is 30 per cent better than it really is,” says Prof Reuben.

“Similarly it’s not as if you can simply tell women they should inflate their own sense of overconfidence to be on par with that of men.”

Prof Reuben warns that if employers are unaware of this male tendency, they may “mistake that overconfidence for true performance and overlook better female candidates”. Recruiters, he says, need to adopt a more sophisticated approach during the interview process.

The research is published in the *Journal of Economic Behaviour and Organisation*.

- Despite launching with flair and optimism, many entrepreneurial ventures founder in their early days, often before the fledgling venture has had the opportunity to employ another person. Now research into the early stages of a development has examined what makes a difference to a group’s survival rate.

Stephen Mezias, a professor of entrepreneurship and family enterprise at Insead, believes that he may have identified one element of success – that of networking.

In his paper *Audiences, firms and network: a simulation study of the emergence of new industries*, Prof Mezias says that establishing networking connections is “absolutely crucial” and is as vital as finding funding or giving the product a recognised identity.

Using a simulation model that collated information from real data and then ran various scenarios, Prof Mezias looked at what would happen if entrepreneurs networked with each other and exchanged information on organisational tactics, as well as outcomes from stakeholders networking with each other and with the fledgling organisations.

In all cases he discovered that establishing networking ties increased the chances of survival and success.

Prof Mezias suggests that entrepreneurs can be given a helping hand if governments and policy makers provide platforms or hubs such as in the Gulf region. In this way entrepreneurs can establish themselves with like-minded individuals thus promoting networking and the chances for survival and growth.

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