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Gender and risk: women, risk taking and risk aversion

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Abstract

Purpose – Labeling women as risk-averse limits the positive benefits both women and organizations can gain from their risk taking. The purpose of this paper is to explore women's risk taking and reasons for stereotype persistence in order to inform human resource practice and women's career development.

Design/methodology/approach – The paper draws on literature about gender and organizations to identify reasons for the persisting stereotype of women's risk aversion. Utilizing literature and concepts about risk appetite and decision making, the paper evaluates results of the Simmons Gender and Risk Survey database of 661 female managers.

Findings – The paper finds evidence of gender neutrality in risk propensity and decision making in specific managerial contexts other than portfolio allocation.

Research limitations/implications – More in-depth research is needed to explore the gender-neutral motivators of risk decision making and to explore risk taking in a more diverse sample population.

Practical implications – The paper explores why women's risk taking remains invisible even as they take risks and offers suggestions on how women and organizations may benefit from their risk-taking activities.

Originality/value – The paper synthesizes evidence on risk taking and gender, and the evidence of female risk taking is an important antidote to persisting stereotypes. The paper outlines reasons for this stereotype persistence and implications for human resource development.

Keywords Risk management, Women, Gender, Mentoring

Paper type Research paper

Media reporting on business and the economy is replete with language illustrating common stereotypes about gender and risk. Depicting Wall Street's unchecked and excessive risk taking as the culprit for 2008s global financial meltdown, brokers are "credit default swap cowboys" (Mortgenson, 2008) and "capitalist buccaneers," and the entire Street is "the Wild West" with "too much testosterone" (Syed, 2008). On the other hand, speculation abounds whether the financial crisis could have been averted had more women been the decision makers, both domestically and globally. A financial services sector chief executive officer (CEO) says, "women [. . .] have a greater desire to build firm foundations that will endure" (de Vita, 2008). In October 2008, Iceland, after declaring bankruptcy, turned to two women to rebuild its financial system "after the banking empire built by its young male business-schooled elite collapsed."

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