

DIFFERENCES IN DECISION-MAKING PROCESS AND ITS EFFECT ON VARIOUS OUTCOMES

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Abstract. This study investigates the impact of gender differences in decision-making on various outcomes. It analyzes how societal norms, cultural expectations, and psychological factors shape risk-taking, confidence, and decision preferences in personal and professional settings. Men often exhibit greater risk and confidence, benefiting leadership roles, whereas women's risk aversion and emotional considerations lead to cautious, thoughtful decisions. The findings highlight the importance of recognizing these differences to optimize outcomes in leadership, policymaking, and team performance.

Keywords: gender differences, decision-making, risk-taking, leadership, emotional
Gender differences in the decision-making process can have significant effects on various outcomes in both personal and professional contexts. These differences are influenced by a combination of factors, including societal norms, cultural expectations, psychological factors, and biological influences. Here's an overview:

Risk-Taking and Confidence

According to Lawrence, A., (2022) men are generally observed to take more risks and exhibit higher confidence in their decision-making. This trait can lead to bold and assertive decisions, beneficial in certain business or leadership scenarios. The relationship between gender and risk-taking is complex and influenced by various factors. Research by Schmidt et al. (2021) suggests that men may be more influenced by social comparison and relative income, leading to higher risk-taking in certain contexts. The paper by Dawson. Ch., (2020) indicates that women, on average, have a lower self-assessed 'willingness to take risks in general' compared to men.

On the other hand, Rinne, U., and Sonnabend, H., (2021) provides evidence in their research that male coaches in a female-dominated industry show a lower level of risk-taking than female coaches on average. Sowan, W., (2023) stated that both genders believe that men, more than women, ought to take risks, but it does not provide information on whether men are actually more likely to take risks than women. Therefore, men are not more likely to take risks than women in this context. Women tend to be more risk-averse and may exhibit more caution in decision-making. This can result in more calculated, thoughtful decisions, often beneficial in situations requiring comprehensive risk assessment and long-term planning.

Collaborative vs. Individual Decision Making

The research shows that states that women prefer group decision-making processes less than men, indicating a difference in preferences between genders (Osmani, J., and Durrës, A., 2020). This approach can lead to more inclusive and diverse viewpoints being considered and can be particularly effective in team-oriented environments.

Emotional Considerations

According to Jacques, M., and Gulseven, O., (2019) female teachers are more likely to make emotional decisions, indicating that women may consider emotional aspects in their decision-making. Another study suggests that women entrepreneurs tend to consider emotional aspects in their decision-making, such as love, compassion, and dissent, more than men do (Sanches, C., et el, 2016). Women are generally more likely to consider emotional and relational aspects in their decision-making, which can be advantageous in fields like human resources, counseling, or any role requiring high emotional intelligence.

Men might focus more on the practical or logical aspects, which can be beneficial in roles demanding objective analysis and straightforward decision-making.

Long-term vs. Short-term Orientation

Women might exhibit a preference for long-term outcomes and stability in their decisions, considering the future implications more thoroughly. According to Embrey, L., and Fox, J., (1997). As the tendency of women to choose more conservative investment strategies and be more risk-averse than men, opting for the long term tendency. They emphasize the implications of such conservative strategies for women's long-term financial goals, particularly in terms of lower accumulation of investment assets and the need for different retirement planning approaches for women compared to men.

Men may lean towards short-term gains or immediate results, which can be advantageous in fast-paced, high-stakes environments.

Effects on Various Outcomes:

Business and Leadership: Gender differences in decision-making impact leadership styles and business outcomes. Gender differences in the decision-making process indicates that there are real differences: women are more sensitive, men are overconfident, men tend to be leaders more than women (Minasyan, D., and Tovmasyan, G., 2020). Diverse leadership teams that balance these differences tend to perform better, as they combine risk-taking with comprehensive analysis. The research in China indicate that leader vision communication moderates the relation between gender diversity and team performance such that when leader vision communication is low gender diversity decreases team performance and when leader vision communication is high gender diversity has no significant relation with team performance (Kelemen, T. K., et el, 2020).

Policy Making: In politics and policy making, these differences can influence the types of policies promoted, with women potentially advocating more for social welfare and education. For instance, Li, Ch., and Daoming Sun, D., (2023) states that decline in women's bargaining power caused by the law amendment significantly reduces couples' expenses on children's education. Holding all the characteristics of the couple and time and regional factors constant, when women are deprived of their housing property, expenditure on children's education drops by

an average 35.9%. Men on the other hand might focus on economic growth and infrastructure.

Conclusion

Understanding these gender differences in decision-making is crucial for creating balanced, effective strategies in various domains, from business and governance to education and family life. It's important to note, however, that these are general trends and there's considerable individual variation within each gender. Additionally, societal and cultural shifts are continuously reshaping these patterns, making it a dynamic field of study.

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