

Why and when gender diversity in middle management gives companies a competitive advantage

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The conversation around the scarcity of women in leadership positions often focuses on the C-suite, but companies shouldn't overlook the

payoffs of pursuing more gender diversity in middle management.

A recent study co-authored by Tony Kong, an associate professor of organizational leadership at the Leeds School of Business, found that hiring or promoting more women into middle management positions can give companies a competitive advantage.

The study, published online in December 2022 in *Human Resource Management*, argues that increasing [gender diversity](#) at the middle management level leads to better [financial performance](#) for companies.

Promoting women to middle-management positions provides "instrumental benefits to companies, not only in terms of their profitability but also in terms of their high-performance work system," Kong said.

Previous research has shown that compared to men, women tend to pay more attention to the relationships between sets of individual pieces of information, which translates to diverse feedback from multiple subordinates in a work setting. This can lead to more democratic leadership, exploration of creative ideas, collaborative negotiation and "innovative and norm-challenging HR policies and practices," according to the study.

Middle managers are key to a company's success, serving as a link between executives and workers. They're on the ground coordinating day-to-day operations with employees and are charged with organizing, coordinating and implementing strategic plans from above. They're influential in motivating employees as well as relaying their needs and feedback to company leadership and human resources.

"They listen to employees' perspectives and champion these ideas to upper management," Kong said, adding that middle managers serve as "a

vital link between employees and upper management and connect the two levels."

And by listening, encouraging suggestions and leading subordinates to speak up, middle managers can help companies innovate in policies and strategy.

The study, which was led by Min-Kyu Joo of the University of Sydney Business School and co-authored by Kong, Jeong-Yeon Lee of Seoul National University's School of Business, and Phillip M. Jolly at Pennsylvania State University's Hospitality Management College of Health and Human Development, analyzed data from more than 1,000 organizations and companies in South Korea.

The researchers focused on South Korea in part because of the country's racial and cultural homogeneity, allowing them to home in on gender effects. Although different from the U.S., Kong said it's fair to draw parallels between the two countries.

Another major takeaway for companies in the study is that simply hiring or promoting more women into middle management positions isn't enough. The advantage is strongest when there is also gender diversity among subordinates, Kong said.

"Companies actually can benefit more from gender-diverse middle management and perform better when employees are also more gender-diverse," he said.

The bottom line for companies? "We need to diversify the workforce in order to fully realize the gender-diversity advantage at middle management," Kong said. "It's intrinsically important to promote women to middle management positions" not only to improve company performance but because it's the right thing to do.

And, the benefits spring upward. "To promote more women in the C-suite level, companies have to promote more women in the middle-management level," Kong said.

More information: Min-Kyu Joo et al, Gender diversity advantage at middle management: Implications for high performance work system improvement and organizational performance, *Human Resource Management* (2022). [DOI: 10.1002/hrm.22159](https://doi.org/10.1002/hrm.22159)

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