

# How Stress Affects Performance and Competitiveness across Gender

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## Abstract

Since many key career events, such as exams and interviews, involve competition and stress, gender differences in response to these factors could help to explain the labor-market gender gap. In a laboratory experiment, we manipulate psychosocial stress using the Trier Social Stress Test, and confirm that this is effective by measuring salivary cortisol. Subjects perform a real-effort task under both tournament and piece-rate incentives and we elicit willingness to compete. We find that women under heightened stress do worse than women in the control group when compensated with tournament incentives, while there is no treatment difference for performance under piece-rate incentives. For males, stress does not affect output under competition. We also find that stress decreases willingness to compete overall, and for women, this is related to performance. These results help to explain previous findings on gender differences in performance under competition both in and out of the lab.

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