GENDER IN JOB NEGOTIATIONS

3 THINGS FOR WOMEN TO REMEMBER + 3 QUESTIONS FOR ORGANIZATIONAL LEADERS

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Why are job negotiations important?

- **Negotiating Your Career Path**
  - Negotiation is an essential process for gaining resources and opportunities for career advancement.

- **Through negotiation you can...**
  - Enhance your recognition and rewards
  - Seize opportunities to expand your authority
  - Overcome barriers or challenges
  - Make your work more personally meaningful
#1 Opportunity
Women sometimes have less opportunity than men

#2 Ambiguity
Ambiguity heightens potential for gender effects

#3 Work & Family
Gender in job negotiations is a two-level game
Challenge #1: Opportunity

- Women sometimes have less opportunity than men to negotiate for career advancement.

**Social Networks**
Influence access to information and career support

**Gender Stereotypes**
Inhibit women more than men from self-advocating in negotiations
Gender Stereotypes in Pay Negotiations

$F(1, 111) = 4.80, p = .03$
Bowles, Babcock & Lei (2007, Study 1)
### Gender Stereotypes in Pay Negotiations

<table>
<thead>
<tr>
<th>Annual Compensation (Thousands)</th>
<th>Men</th>
<th>Women</th>
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<td>$125</td>
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This graph illustrates the differences in annual compensation between men and women in pay negotiations. The data shows a lack of representation at the highest compensation levels.
Challenge #1: Create Opportunity

- Practical Advice: Create Opportunity to Self-Advocate

- Enhance negotiations through relationships
  - Build and leverage your network

- Enhance relationships through negotiations
  - Use “Relational Accounts”
    - Employ legitimate explanations that also...
    - Demonstrate concern for organizational relationships
Negotiating with Facebook

“Of course you realize that you’re hiring me to run your deal team, so you want me to be a good negotiator. This is the only time you and I will ever be on opposite sides of the table.”

Sheryl Sandberg, Facebook COO and author of Lean In
Relational Accounts  “I-We” Strategy

Research Example

- Skill Contribution Account

  [Negotiation Request] “I don’t know how typical it is for people at my level to negotiate, but I’m hopeful you’ll see my skill at negotiating as something important that I bring to the job.”

Bowles & Babcock (2012)
Research Example

- **Supervisor Excuse Account**

  “My team leader during the training program told me that I should talk with you about my compensation. It wasn’t clear to us whether this salary offer represents the top of the pay range. My team leader told me there’s a range in terms of how much managers are paid in their first placement. He thought I should ask to be paid at the top of that range and to explain that I would also like to be eligible for an end of year bonus.”

Bowles & Babcock (2012)
Relational Accounts  “I-We”  Strategy

Other Executive Examples

- **Senior executive finds for second time that a male subordinate is paid more than she is**
  - “I am confident this is just a mistake. The company does not want subordinates paid higher than their managers.”

- **Senior woman is asked to lead a diversity initiative**
  - “How will we measure this initiative’s contribution to the bottom line?”
  - “If you want this position to have the authority you describe, then I think the compensation should be set at [X] level.”
Relational Accounts  “I-We” Strategy

Negotiating for More Resources: “I” vs. “I-We”
Challenge #1: **Create Opportunity**

- **Practical Advice:** Create Opportunity to Self-Advocate

- **Enhance negotiations through relationships**
  - Build and leverage your network

- **Enhance relationships through negotiations**
  - Use “Relational Accounts”
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Challenge #2: Ambiguity

- Ambiguity heightens the potential for differential negotiation outcomes

**Norm Ambiguity**
Degree of clarity about norms for appropriate negotiating behavior
(Kray & Gelfand, 2009; Babcock & Bowles, 2009)

**Structural Ambiguity**
Degree of clarity about zone of possible agreement and appropriate standards for agreement
(Bowles, Babcock, & McGinn, 2005)
Ambiguity in Salary Negotiations

Study of MBA Job Market Outcomes

- **Controls**
  - work experience, job function, previous salary, job offers, non-compensation preferences, etc.
  - Overall gender gap ≈ $5,000

- **Conditions: Low vs. High Ambiguity**
  - “Low Ambiguity” (70%): No gender difference
  - “High Ambiguity” (30%): $11,000 gender gap

(Bowles et al., 2005)
Ambiguity in Salary Negotiations

Studies of Executive Compensation

- Research suggests gender differences in executive compensation are greater in non-standardized forms of pay

- **Bonuses** (Elvira & Graham, 2002)

- **Equity** (Lyness & Thompson, 1997)
Challenge #2: Reduce Ambiguity

- **Practical Advice:** Reduce Ambiguity

- **Identify information sources**
  - What info do you need?
  - Where can you get it?
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- **Practical Advice:** Reduce Ambiguity

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  - What info do you need?
  - Where can you get it?

- **Reach outside convenience networks**
  - Don’t just consult with and compare yourself to similar others
Challenge #3: Work-Family

Negotiations with employers are contingent on negotiations at home (Bowles & McGinn, 2008).
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Lilly Ledbetter’s Story

- **1996**
  - Ledbetter received “Top Performance” award from company

- **1997**
  - **Ledbetter** earned $44,724 in salary.
  - **Lowest paid man** doing same work earned $51,432.

1996 Median Annual Earnings (U.S. full time, year round)

- **Female** = $32,515
- **Male** = $42,261

$0.87/$1  $0.77/$1
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Challenge #3: Work-Family Win-Wins

- **Practical Advice:** Create Work-Family Win-Wins

- **Negotiate the job you want for short-term and long-run “success”**
  - Facebook COO Sheryl Sandberg: “Don’t leave before you leave”

- **Create value to make work and life partners better off**
3 Things for Women to Remember

1. **Create Opportunity to Self-Advocate**
   - Enhance your negotiations through relationships
   - Stretch yourself beyond convenience networks
   - Enhance your relationships through negotiations
   - Role play and then use “I – We” strategies

2. **Reduce Ambiguity about Norms & Standards**
   - Learn how others negotiate job terms, opportunities, + rewards
   - Get clarity on appropriate standards and what you want

3. **Negotiate Work-Family Win-Wins**
   - Negotiate the job you want
   - For short-terms and long-terms aspirations
   - Create value for home and work partners
3 Questions for Organizational Leaders

1. How can we even the playing field of Opportunity for men and women to self-advocate?
   - Training
     - Informed by research on men’s and women’s experiences
   - Stronger Leadership as well as Mentor- and Sponsorship
     - Informal and formal (e.g., Chief Talent Officer)

2. How can we reduce Ambiguity in job negotiations?
   - Find ways of making norms transparent while retaining flexibility

3. How can we create more Work & Family Win-Wins?
   - Open the search for win-win solutions
   - Reconsider taken-for-granted assumptions about how work gets done and careers progress
Thank you!

Feedback and ideas are warmly welcome.

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