



Salary, gender and the cost of haggling

Research shows men are more aggressive than women in asking for a raise

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WASHINGTON - About 10 years ago, a group of graduate students lodged a complaint with Linda C. Babcock, a professor of economics at [Carnegie Mellon University](#) : All their male counterparts in the university's PhD program were teaching courses on their own, whereas the women were working only as teaching assistants.

That mattered, because doctoral students who teach their own classes get more experience and look better prepared when it comes time to go on the job market.

When Babcock took the complaint to her boss, she learned there was a very simple explanation: "The dean said each of the guys had come to him and said, 'I want to teach a course,' and none of the women had done that," she said. "The female students had expected someone to send around an e-mail saying, 'Who wants to teach?' " The incident prompted Babcock to start systematically studying gender differences when it comes to asking for pay raises, resources or promotions. And what she found was that men and women are indeed often different when it comes to opening negotiations.

These differences, Babcock and other researchers have concluded, may partially explain the persistent gender gap in salaries, as well as other disparities in how people rise to the top of organizations. Women working full time earn about 77 percent of the salaries of men working full time, Babcock said. That figure does not take differing professions and educational levels into account, but when those and other factors are controlled for, women who work full time and have never taken time off to have children earn about 11 percent less than men with equivalent education and experience.

In one early study, Babcock brought 74 volunteers into a laboratory to play a word game called Boggle. The volunteers were told they would be paid anywhere from \$3 to \$10 for their time. After playing the game, each student was given \$3 and asked if the sum was okay. Eight times more men than women asked for more money.

Babcock then ran the experiment a different way. She told a new set of 153 volunteers that they would be paid \$3 to \$10 but explicitly added that the sum was negotiable. Many more now asked for more money, but the gender gap remained substantial: 58 percent of the women, but 83 percent of the men, asked for more.

Another study quizzed graduating master's degree students who had received job offers about whether they had simply accepted the offered starting salary or had tried to negotiate for more. Four times as many men -- 51 percent of the men vs. 12.5 percent of the women -- said they had pushed for a better deal. Not surprisingly, those who negotiated tended to be rewarded -- they got 7.4 percent more, on average -- compared with those who did not negotiate.

Although differences in starting salaries are usually modest, small differences can have big effects down the road. If a 22-year-old man and a 22-year-old woman are offered \$25,000 for their first job, for example, and one of them negotiates the amount up to \$30,000, then over the next 28 years, the negotiator would make \$361,171 more, assuming they both got 3 percent raises each year. And this is without taking into account the fact that the negotiators don't just get better starting pay; they also win bigger raises over the course of their careers.

The traditional explanation for the gender differences that Babcock found is that men are simply more aggressive than women, perhaps because of a combination of genetics and upbringing. The solution to gender disparities, this school of thought suggests, is to train women to be more assertive and to ask for more. However, a new set of experiments by Babcock and Hannah Riley Bowles, who studies the psychology of organizations at Harvard's [Kennedy School of Government](#) , offers an entirely different explanation.

Their study, which was coauthored by Carnegie Mellon researcher Lei Lai, found that men and women get very different responses when they initiate negotiations. Although it may well be true that women often hurt themselves by not trying to negotiate, this study found that women's reluctance was based on an entirely reasonable and accurate view of how they were likely to be treated if they did. Both men and women were more likely to subtly penalize women who asked for more -- the perception was that women who asked for more were "less nice".

"What we found across all the studies is men were always less willing to work with a woman who had attempted to negotiate than with a woman who did not," Bowles said. "They always preferred to work with a woman who stayed mum. But it made no difference to the men whether a guy had chosen to negotiate or not."

In this study, Bowles and her colleagues divided 119 volunteers at random into different groups and provided them with descriptions of male or female candidates who tried to negotiate a higher starting salary for a hypothetical job, along with descriptions of applicants who accepted the offered salary. The volunteers were asked to decide whether they would hire the candidates -- who were all described as exceptionally talented and qualified. While both men and women were penalized for negotiating, Bowles found that the negative effect for women was more than twice as large as that for men.

Subsequent studies used actors who recorded videos of themselves asking for more money or accepting salaries they had been offered. A new group of 285 volunteers were again asked whether they would be willing to work with the candidates after viewing the videos. Men tended to rule against women who negotiated but were less likely to penalize men; women tended to penalize both men and women who negotiated, and preferred applicants who did not ask for more.

In a final set of studies, Bowles's team had 367 volunteers play the role of job candidates and left it up to them to decide whether to ask for more money than they were offered. Women were less likely than men to negotiate when they believed they would be dealing with a man, but there was no significant difference between men and women when they thought a woman would be making the decision. The applicants, in other words, were accurately reading how males and females were likely to perceive them.

"This isn't about fixing the women," Bowles said. "It isn't about telling women, 'You need self-confidence or training.' They are responding to incentives within the social environment."

The findings, published this year in the journal *Organizational Behavior and Human Decision Processes*, help explain why some other studies have reached conflicting conclusions. For example, one study by Barry A. Gerhart, then at [Cornell University](#), found little difference between male and female MBA students in whether they negotiated over their starting salary. Similarly, Bowles said, the new study showed that women did not act in the same way at all times: They were more likely to negotiate when dealing with another woman than when dealing with a man.

"It is not that women always act one way and men act another way; it tends to be moderated by situational factors," Bowles said. "The point of this paper is: Yes, there is an economic rationale to negotiate, but you have to weigh that against social risks of negotiating. What we show is those risks are higher for women than for men."

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