

Closing the Wage Gap by Negotiating better Starting Salaries

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### Abstract

An unexplained pay gap persists between men and women, even when controlling for a variety of factors such as occupation and industry. One factor that may contribute to this unexplained gap is that women are reluctant to negotiate their salaries, due to a variety of factors such as discomfort with competitive negotiation styles, a fear of social repercussions and inexperience. This study looks at the effect of coaching University women in how and why to negotiate their starting salary. Results indicate that coaching increases the propensity to negotiate as well as salary expectations. Results indicate that coaching increases the propensity to negotiate as well as salary expectations – an important first step in closing the wage gap.

*Keywords:* pay gap, women, negotiation, coaching

### Closing the Wage Gap by Negotiating better Starting Salaries

The prominence of women's wages began to take a visible, political role following World War II. Despite their wartime contributions, women were not considered real workers and therefore achieving an economic advantage like their male counterparts was deemed unnecessary (Kruth, 2014). As a result, a lack of both interest and perceived economic incentive to challenge wage parity, created a foundation in the employment market for gender bias. It was not until increasing frustrations and new challenges launched by feminist women's organizations in the 1960's occurred, that women began intense government lobbying for change.

Beginning in the 1960s, the passing of human rights and complaint-based legislation mandated employers to adapt pay practices and policies in line with the principle of equal pay for equal work (Kruth, 2014). In 1981, Canada ratified the international human rights *Convention on the Elimination of All Forms of Discrimination Against Women* that included women's rights "to equal remuneration, including benefits, and to equal treatment in respect of work of equal value, as well as equality of treatment in the evaluation of the quality of work" (Kruth, 2014, p.6).

Subsequently, pay equity legislation protecting public sector workers has been enacted in six provinces: Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Quebec (Schirle, 2015). Only two provinces, Ontario and Quebec, extend this protection to private-sector employees. Ontario's Pay Equity Act, passed in 1987, mandates that employer's compensation packages provide pay equity for all employees in female job classes and employers with ten or more employees are mandated to adopt pay equity plans to monitor their effectiveness in achieving pay equity (Pay Equity Office, 2012).

Despite the demonstrable gains women have made towards gender equality over the past one hundred years, women still struggle to keep up with their male counterparts when it comes to

wage equity. In 2015, women earned \$0.87 for every dollar earned by men largely due to wage inequality within occupations (Moyer, 2017). Canada is still reported to have an 18.6% gap in wages, behind the 16.7% gap of the United Kingdom and only slightly ahead of the United States at 18.9% (Cornish, 2013; OECD, 2017). Internationally, Canada's attempts to close the wage gap lags behind most other OECD countries – for instance, many European countries range from 3-6% and Pacific nations such as New Zealand at 6.1%.

Despite government regulations and legislation, many studies report a persisting unexplained wage gap. Schirle (2015), in a study of Canadian provinces from 1997 – 2014, reported that 67% of the wage gap remains unexplained, even when controlling for explanatory variables, including industry and occupation. Corbett and Hill (2012) reported that, in 2009, female full-time workers a year after college graduation earned an unexplained 7 percent less than men, even after accounting for factors known to affect wages (e.g., fields of study, occupations, etc.). Gunderson (2006) argued that male-female wage differentials ranging from 5-15% may be the result of discriminatory practices. Similarly, in a study examining income data from 1980-2010, Blau and Kahn (2017) reported that while the gender gap has declined, “conventional human capital variables taken together explained little of the gender wage gap, while gender differences in occupation and industry continued to be important” (p.789). They concluded that while part of the gap can be explained by gender differences in occupations and industries, differences in gender roles and the gender division of labour remain and therefore discrimination cannot be discounted. In a national study of lawyers engaged in fulltime private practice, Dinovitzer et al. (2009) found an unexplained gender gap of about 5 percent and suggested that women's work may be less valued and rewarded than men's.

An important male-female difference that may account for part of the unexplained portion of the wage gap is differences in negotiation skills and the underlying societal perceptions and stigmas women face when engaging in negotiating roles. Differences in negotiating ability and effectiveness can impact both starting salaries and future ongoing salary negotiations as workers are promoted and progress in their careers (Renard, 2008). The purpose of this paper is twofold. First, we review the differences between men and women in how they negotiate and how negotiation is perceived by prospective employers. Second, we examine the effect of a negotiation coaching intervention on negotiation strategies and negotiation expectations among soon-to-be graduating university women.

### **How Men and Women Negotiate Differently**

#### **Differences in Negotiating Styles**

In avoiding confrontation and self-assertiveness, women are more likely to employ a collaborative and cooperative approach to negotiation than are men (Kolb, 1993; Walters et al., 1998). This can be a double-edged sword for women. Collaboration can have a positive influence in cooperative negotiation, where focusing on interests rather than positions and inventing options for mutual gain are critical to achieving success. However, if the opposing negotiator moves towards more adversarial tactics, women may be in a less favourable position to achieve an optimal outcome as engaging in adversarial negotiations may feel out of character.

The reluctance or inability to adopt a competitive negotiation style may be simply explained by the way women have been socialized. Women, on the one hand, generally have a relational view of others and solve problems through dialogue, grounding their understandings of situations and people and defining themselves through their relationships with others (Greenhalgh & Chapman, 1995; Halper & McLean-Parks, 1996; Kolb, 1993). Separating

‘people from problems’ or ‘interests from positions’ is not always natural (Kolb, 1993). The emphasis on relationships may make some women feel wrong about taking power at the expense of an opposing partner (Kolb, 1993). Schneider et al. (2010) describe the scenario as women facing the choice of either being known as likeable versus the independent and assertive characteristics associated with being competent.

Men, on the other hand, tend to focus on individual achievement and view activities in terms of tasks. Unlike women who may have overlapping or blurred surroundings of a task, men tend to focus on the negotiation at hand, through a narrow lens that does not consider the same situational context that a woman may face; they focus on individual achievement and the rules of the game (Greehalgh & Gilkey, 1986; Kolb, 1993).

In a study examining the tactics students would use to negotiate larger salaries, Kaman & Hartel (1990) reported that men planned to use more assertive tactics, such as directly asking for a higher salary, while women planned to use more self-promotion tactics, such as promising to work hard. Further, women, when faced with a competitive negotiator, were less likely to use competitive negotiation tactics (Stevens et al., 1993). Women typically set less aggressive goals, make more modest first offers and concede more rapidly (Stevens et al., 1993; Tellhed & Björklund, 2011).

### **Difference in Social Repercussions**

Research demonstrates that women are penalized socially more than men for attempting to negotiate for higher pay (Bowles & Babcock, 2013; Kang et al., 2015). Women entering a negotiation must balance the benefits of negotiating against the social consequences of having negotiated (Leibbrandt & List, 2014). In a study of women administrators in public universities, Compton and Bierlein-Palmer (2009) reported that women were less likely to negotiate due to

socialization pressures and different priorities (i.e., the job was more important than the money). Studies found that if women negotiate in a public context, where social repercussions are present, they ask for substantially less than in private where they believe repercussions will not occur (Leibbrandt & List, 2014).

Although negotiating salary may help women increase their initial compensation, the negative consequences affecting their long-term relationships with colleagues and superiors may ultimately hurt the total compensation in the long run. This is because aggressive women who negotiate are perceived to be less nice, less cooperative, and more demanding than women who never negotiated at all (Bowles & Babcock, 2013). As a result, women are more likely to be passed over for prime projects and opportunities as well as professional mentorship and sponsorship opportunities. Babcock and Laschever (2007), co-authors of *Women Don't Ask: Negotiation and Gender Divide*, argue that women's negotiation success critically depends on style. For women to be persuasive and influential, women must also be perceived as being likable and likeability is an essential and important influencer for women (Carli et al., 1995). For instance, demonstrating stereotypical feminine behaviours, such as concern for others, during a negotiation gives women more leeway in engaging in other societally accepted masculine behaviours, and in this way women can more effectively negotiate salary increases (Babcock & Laschever, 2007; Blau & Kahn, 2017; Bowles & Babcock, 2013).

### **Differences in Initiating Negotiations**

Women are far more likely than men to avoid negotiation completely when it comes to their salary (Grieg, 2008; Santovec, 2011; Sarfaty et al., 2007). Santovec (2011) reported that 20% of women reported having never negotiated for anything, with many women being so grateful to be offered a job, they accept without negotiating salaries at all. Babcock & Laschever

(2007) report that men ask and initiate negotiations two to three times more frequently than women. In a study examining gender differences in the propensity to initiate negotiations, Bowles et al. (2007) found that while evaluators (both male and female) penalized female candidates for initiating a negotiation, male evaluators penalized female candidates more than male candidates for initiating negotiations. This is unfortunate as ‘not negotiating’ can also be perceived as a professional weakness and employers perceive applicants with better compensation records as more capable (Babcock & Laschever, 2007).

In a study of recent university graduates, those who chose to negotiate ended up with higher starting salaries (O’Shea & Bush, 2002). Failure to initiate negotiations results in lower initial salaries (Marks & Harold, 2011) and obtaining sub-par initial salaries decreases the incumbents’ organizational commitment, the likelihood of accepting an offer and the length of tenure with the employer (Crothers et al., 2010; Porter et al., 2004). Women also have a lower propensity to negotiate future promotions and raises (Babcock & Laschever, 2007; Croson & Gneezy, 2009) thereby further potentially reducing their overall lifetime pay relative to men’s.

Men are more likely to initiate negotiations when there is no explicit statement that wages are negotiable, but that difference disappears when the possibility that wages are negotiable is explicitly mentioned (Leibbrandt & List, 2014). Small et al., (2007) found that the way the situation was framed also influenced women’s propensity to initiate negotiations. Specifically, they found that when the situation was framed as an opportunity to negotiate, women were more intimidated to initiate negotiation than when the situation was framed as an opportunity to ask. They explain that framing a negotiation as an opportunity to negotiate is inconsistent with norms of politeness among low-power individuals (such as women) while framing a negotiation as an opportunity to ask is more polite and role-consistent. Also consistent with gender stereotypes, in

a meta-analysis conducted by Mazei et al. (2015), gender differences in the propensity to negotiate were found to be reduced when women were told that they were negotiating on someone else's behalf (see also Bowles et al., 2005).

### **Differences in salary expectations**

Despite the soaring education and workforce participation rates of women, women report salary expectations between 3% and 32% lower than those of men for the same jobs (Santovec, 2011). In a study where men and women examined hypothetical job descriptions and were asked to estimate the highest salary the hypothetical organization could offer, men estimated higher salaries than did women (Kaman & Hartel, 1994). Further, women feel more unsure of what they deserve, are less confident than men in risk-taking and ask for only what they think they can get (Babcock & Laschever, 2007; Slovic, 2000). Different abilities and expectations in bargaining can also affect the prices men and women pay as consumers when haggling is possible. In an exploration of the behavior of men and women in the Ultimatum Game<sup>1</sup>, Solnick (2001) found that both men and women make lower offers to women than to men, seeming to expect women to accept less (see also Solnick & Schweitzer, 1999). Women's lower opening bids and final negotiated salaries may have been caused by their legitimate belief that they were less qualified for the position or men's legitimate belief that they would work hard and justify the higher salary. Numerous studies have shown that women feel less entitled to higher pay and expect less pay than men (Barron, 2003; Bylsma & Major, 1992; Jackson et al., 1992; Jost, 1997; Meriküll & Pille, 2017).

### **Differences in outcomes**

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<sup>1</sup> In the simplest form of the ultimatum game, one player proposes an allocation of a fixed sum of money. The second player may either accept the proposal, in which case the funds are divided accordingly, or reject it, in which case both receive nothing.

In a meta-analysis of gender differences in negotiation outcomes, Stuhlmacher & Walters (1999) concluded that men negotiated significantly better outcomes than women. One of the earliest studies examining the role of negotiations found that, among graduating MBA students, 56% of the MBA students who negotiated for larger salaries obtained increases ranging from \$1,000 to \$7,000 (Gerhart & Rynes, 1991). Upon entering the job market, this can have hugely deleterious effects on women's pay and career progression. Women who negotiate their initial salary and subsequent salary increases will earn at least \$1 million more during their careers than those who do not (Pinkley & Northcraft, 2000; Santovec, 2011).

There is much evidence that starting salaries among men and women differ. The Education Policy Research Initiative, a national research organization based at the University of Ottawa, found that men who graduated from University earned \$2,800 more than women in their first year after graduation with the same degree; after 8 years this amount grew to \$27,300 (Butler, 2016). In a study of MBA students in the class of 2000 of a major American business school, Bowles et al. (2005) found that female MBAs accepted salary offers that were 5% lower on average than the offers accepted by male MBAs. In another study examining the starting wages of a homogenous group of graduates in business and economics from a large German university, Bredtmann & Otten (2014) found a gender wage differential of 7%. The compounded accumulation of differences in outcomes can be substantial over the course of one's career when men and women do not start out on a level playing field.

### **The Role of Coaching**

According to the Human Resources Professionals Association (2016), "the ability to successfully negotiate can have a direct impact on a person's income, however; this skill is often not taught to students, and instead is left up to individuals to learn on their own." (p. 6). Corbett

& Hill (2012) stress the importance of learning how to negotiate; they argue that it is essential for recent graduates to understand what they are worth, how to negotiate their first post-college salary and benefits, and to better understand how an initial pay gap can affect their long-term financial future. In a meta-analysis of gender differences in negotiation outcomes, Masei et al. (2015) found that gender differences favouring men were reduced when women had negotiation experience and when women received information about the bargaining range. Stevens et al. (1993) reported that training in goal setting increased the goals of both men and women and resulted in better outcomes for both. Further, while training in self-management (i.e., increasing the level of self-control) also increased negotiated salaries, it increased salaries far more for women to the point of closing the wage gap completely. In an examination of the effects of social networks, Belliveau (2005) reported that, women who consulted with proportionally more male peers and employed adult male advisors, received significantly more and higher job offers than women using fewer male advice contacts.

Many studies have demonstrated numerous benefits associated with mentoring and coaching including higher salaries and more promotions (Allen et al., 2004; Allen & Eby, 2007; Clutterbuck et al., 2017; Day & Allen, 2004). Mentoring and coaching is argued to be indispensable for women to develop their leadership skills and is the most frequently cited organizational practice to address gender differences in advancement (MacRae, 2005; Orser, 2000). The objective of this study is to demonstrate that women who are coached on salary negotiations will have higher salary expectations.

## **Methodology**

### **Sample**

The sample consisted of 76 women enrolled at the University of Ottawa; 92% (70) were in their fourth year and above and 99% (75) were enrolled at the Telfer School of Management with more than half specializing in either Finance or Accounting.

### **Procedure**

An experimental design was planned, where the experimental group would receive a salary negotiation workshop prior to data collection and the control group would receive the workshop following data collection. Two workshops were scheduled, and subjects were invited to attend one of the two sessions on first-come first serve basis (a maximum of fifty seats per session). Subjects were recruited through posters and other Career Centre promotional activities. Subjects registered for the event of their choice using Eventbrite, a platform developed to build, manage and grow events. The first session was planned to represent our experimental group and the second session was planned to represent our control group. Forty-four (44) participants registered for the first group and twenty-eight (28) for the second. Attendance was lower than expected for the first group (only 28 of the 44 attended) and consequently, to have sufficient statistical power, it was decided that the second group would also be run as an experimental group (14 of the 28-registered attended). This left us an experimental sample of 42 subjects. Subjects who had registered but had not attended were invited to participate in the project by completing the data collection and were promised a guaranteed seat at the next scheduled salary negotiation workshop. This resulted in 34 participants in our control group. Consent forms for ethics compliance were gathered before data collection and/or workshops.

The workshop consisted of a one-hour presentation developed by the principal author and co-conducted by Marion Lajoie, a senior Career Counsellor at the Telfer School of Management. Marion Lajoie has an M.Ed. in Educational Counselling and conducts workshops on various

career development topics as well as meets with students individually to help them gain a better sense of self and create personal marketing tools aimed at establishing a meaningful career. The workshop was specifically designed for women who are graduating university, entering the job market and facing their first starting salary negotiation. The workshop introduced why salary negotiation is important, why women are often reluctant to negotiate, how to set negotiation parameters (i.e., the lowest salary acceptable, the target aimed for, and the highest realistic salary possible), the importance of the counter-offer and various negotiation tactics.

Subjects were provided with a scenario and instructed to put themselves in the position of a candidate who is applying for a job in their own field of study. Subjects were informed that they had interviewed with Human Resources and the hiring manager, and that they would very much like to be offered a position with this company. As they wait for an offer, subjects were asked to reflect upon the compensation package they desired, specifically their desired salary, yearly bonus and number of weeks of vacation. Subjects were asked to write down figures for their lowest acceptable compensation package (i.e., the lowest before they walk away), their target compensation package (i.e., what they are aiming for), and the realistically highest possible compensation package (i.e., the most they think an organization would be willing to pay). Subsequently, subjects were provided with an offer from the hiring manager via email. Kang et al. (2015) found that both male and female interviewers penalize female interviewees for initiating salary negotiations while Ayres (1991) reported that women tend to be more disadvantaged when negotiating against their own sex (Ayres, 1991). To assess the effect of interviewer gender on interviewee counter-offers, about half of the subjects received an offer from a female hiring manager (Amanda Jones) and the other half from a male hiring manager (Andrew Jones).

The offer from Amanda/Andrew was \$3,000 less than desired (i.e., \$3,000 less than their target point), no yearly bonus was offered, and only two weeks of vacation were proposed. In the email, the hiring manager requested that the subject's response be returned via email and subjects were invited to write their responses in the space provided. At the end of the questionnaire, conflict management style data and background information were gathered. Subjects had about 30 minutes to review the information provided and complete the questionnaire.

### Measures

**Compensation Package.** Subjects are asked to provide their starting salary, yearly bonus and number of weeks of vacation for:

1. Lowest acceptable compensation package – this is also referred to as the ‘walking away point.’ In other words, this is the minimal acceptable terms that the candidate should consider before saying ‘no thank you’ or looking for other jobs.
2. Target compensation package – these are the terms that would make the candidate happy and feel that their compensation matches the value they bring to the firm. This is where the candidate would ideally want to end up.
3. Highest possible compensation package – these are the absolute highest terms the candidate thinks they might realistically be able to get away with. This is the point that Babcock & Laschever (2008) refer to the ‘Giggle Test Rule of Thumb,’ that is “... ask(ing) for as much as they can without giggling” (p. 221).

**Conflict Management Style.** Subjects were asked to indicate how characteristic (not at all, mildly, moderately, strongly, extremely) statements about their interpersonal conflict management styles reflected themselves (Rahim, 1983). Seven statements assessed a

collaborative interpersonal conflict management style (a style that is both assertive and cooperative, attempting to find a solution that completely satisfies both parties – frequently associated with integrative or win-win negotiating) and seven statements assessed a competitive interpersonal management style (a style that is both assertive and uncooperative, pursuing one's goals without concerns for the other party – frequently associated with distributive or win-lose negotiation).

**Background.** Subjects were asked three open-ended questions: 1) What degree are you pursuing? 2) What year are you in? and, 3) What job would you like to get? Subjects were also asked to indicate how difficult it would be to get this job (not difficult, somewhat difficult, very difficult, extremely difficult) and how likely it is that they would ask for more than what the company is offering (not likely, somewhat likely, very likely, extremely likely).

### Results

There were no significant differences between the control group and the experimental group with respect to any of the demographic variables (age, background, year of study, etc.).

#### Compensation

See Table 1 for a summary of the descriptive statistics for the target, lowest acceptable and highest possible salary, bonus and weeks of vacation.

**Target.** The experimental group reported higher target salaries (exp:  $X=\$58,900$ , s.d.=\$480; cont:  $X=\$52,900$ , s.d.=\$860;  $t=3.8$ ,  $p<.001$ ) and higher target bonuses (exp:  $X=\$4,100$ , s.d.=\$220; cont:  $X=\$2,500$ , s.d.=\$250;  $t=2.98$ ,  $p<.01$ ) than the control group.

**Lowest Acceptable.** The experimental group reported higher 'lowest acceptable' salaries (exp:  $X=\$53,300$ , s.d.=\$540; cont:  $X=\$43,800$ , s.d.=\$990;  $t=5.29$ ,  $p<.001$ ) and higher acceptable

bonuses (exp:  $X=\$2,300$ ,  $s.d.=\$160$ ; cont:  $X=\$930$ ,  $s.d.=\$1020$ ;  $t=4.20$ ,  $p<.001$ ) than the control group.

**Highest Possible.** The experimental group reported higher ‘highest acceptable’ bonuses (exp:  $\$6,920$ ,  $s.d.=\$4,020$ ; cont:  $\$4,700$ ,  $s.d.=\$4,440$ ;  $t=2.23$ ,  $p<.05$ ) than the control group.

**Bargaining Range.** The bargaining salary range (as defined as the distance between the highest possible salary and the lowest acceptable salary) was narrower for the experimental group (exp:  $\$13,800$ ,  $s.d.=\$6,490$ ; cont:  $X=\$21,200$ ,  $s.d.=\$1,230$ ;  $t=-3.36$ ,  $p<.01$ ) than the control group. Similarly, both the distance between the target salary and the lowest acceptable salary (exp:  $X=\$5,600$ ,  $s.d.=\$3,180$ ; cont:  $X=\$9,100$ ,  $s.d.=\$6,780$ ) and the distance between the highest possible salary and the target salary (exp:  $X=\$11,900$ ,  $s.d.=\$9,330$ ; cont:  $X=\$13,800$ ,  $s.d.=\$6,490$ ) was narrower for the experimental group than the control group ( $t=-2.28$ ,  $p<.05$  and  $t=-3.35$ ,  $p<.001$ , respectively).

### **Counter-Offer**

Four types of counter-offers were observed (see Table 2). Subjects either 1) accepted the offer without negotiating (exp:  $n=1$ ; cont:  $n=10$ ); 2) accepted the offer but indicated that they would like to discuss the offer further (exp:  $n=0$ ; cont:  $n=8$ ); 3) indicated that they would like to discuss the offer before considering acceptance (exp:  $n=8$ ; cont:  $n=7$ ); or, 4) counter-offered the initial offer with different salary, bonus and/or weeks of vacation expectations (exp:  $n=62$ ; cont:  $n=22$ ).

The experimental group counter-offered with higher salaries (exp:  $X=\$62,600$ ,  $s.d.=\$1,140$ ; cont:  $X=\$51,100$ ,  $s.d.=\$9,150$ ;  $t=5.88$ ,  $p<.001$ ), higher bonuses (exp:  $X=\$1,900$ ,  $s.d.=\$1,930$ ; cont:  $X=\$600$ ,  $s.d.=\$110$ ;  $t=2.12$ ,  $p<.05$ ), and higher weeks of vacation (exp:  $X=1.00$ ,  $s.d.=.16$ ; cont:  $X=.35$ ,  $s.d.=.06$ ;  $t=3.58$ ,  $p<.01$ ) than the control group.

**Counter-Offer Tone.** The IBM Watson™ Tone Analyzer was used to detect emotional and language tones in the written email counter-offer responses. Seven tones can be detected: anger (evoked due to injustice, conflict, humiliation or betrayal), fear (a response to impending danger and triggered by some negative stimulus), joy (expressing enjoyment, satisfaction and pleasure), sadness (indicating a feeling of loss and disadvantage), analytical (indicating reasoning and perceived as intellectual, rational, systematic, emotionless or impersonal), confident (expressing a person's degree of certainty), and tentative (indicating a person's degree of inhibition and perceived as questionable or doubtful). Tones with scores less than .5 indicate that the emotion is unlikely to be detected. Tones with scores between .75 and 1.00 indicate that it is highly likely that the emotion will be detected.

According to the tone analyzer, 37 subjects expressed emotional tones of joy ( $X=.62$ , ranging from .50-.75) in their counter-offer (e.g., "I'm very happy to get the offer from you and excited to launch my career in the company," "I am really excited about the opportunity to work together with the team"). Further, 58 subjects used analytical language ( $x=.75$ , over 57% scored over .75) in their counter-offer (e.g., "I am considering your offer; however, it is below my expectations in terms of salary and vacation weeks," "according to different market research surveys as well as my qualifications, this offer doesn't satisfy what is considered sufficient"). Subjects were also more likely to express themselves using analytical language when responding to a female hiring manager (male:  $X=.72$ , s.d.=.12; female,  $X=.79$ ; s.d.=.15;  $t=2.29$ ,  $p<.05$ ). Finally, 35 subjects responded with a tentative tone ( $x=.75$ , 46% scored over .75) in their counter-offer (e.g., "I would love to meet with you or someone from your team to talk about the role more and opportunities for the future," "I hope we can talk further about this either via e-mail or when you are back in the office"). No tones expressing anger, fear or sadness were

detectable. Three subjects provided counter-offers that projected confidence: “The job description perfectly aligns with my career goals and experience (.86),” “I really enjoyed meeting you and I am very interested in the position (.68),” “I too look forward to working with you and providing my best efforts and knowledge to the firm (.68).” All three were directed towards male hiring managers.

### **Conflict Management Style**

Subjects were more likely to indicate that they possessed traits characterized by a collaborative conflict management style than a competitive management style (exp:  $X=30.1$ ,  $s.d.=3.36$ ; cont:  $X=21.9$ ,  $s.d.=4.17$ ;  $t=13.5$ ,  $p<.001$ ). No significant relationships among the conflict management style and any other variables were found.

### **Perceived Difficulty of Obtaining Job / Likelihood to Negotiate**

While there were no significant differences between the experimental group and the control group with respect to the perceived difficulty in obtaining the subject’s desired job, subjects in the experimental group indicated that they would be more likely to ask for more money if offered a position (exp:  $X=2.74$ ,  $s.d.=.73$ ; cont:  $X=1.67$ ,  $s.d.=.78$ ;  $t=6.1$ ,  $p<.001$ ).

## **Discussion**

In this study, coaching had a significant impact on several factors. Women who were coached set higher target salaries and higher ‘bottom-lines’ (i.e., the lowest salary they would accept before walking away). Setting higher ‘bottom-lines’ is especially important as this improves both employer perception of the worth of the employee as well as the employee’s standard of living. Women who were coached were also more likely to set higher bonuses for all three negotiation points (the lowest acceptable, target and highest possible) suggesting an increased importance in considering bonuses as part of the total compensation package.

Coaching also raised the importance of the counter-offer and changed the perception that a job-offer is not a 'take it or leave it' proposition. Women who were coached were much more likely to counter-offer and to counter-offer with higher salaries, bonuses and weeks of vacations than those women who were not coached.

If organizations counter-offered with a proposition that 'split the middle' between their first offer and the candidate's counter-offer, candidates who received coaching would gain \$960 above their target salary (n=28 candidates counter-offered) compared to those who did not receive coaching (-\$780 below their counter-offer, n=9). Similarly, for bonuses, candidates who received coaching would obtain an additional \$2000 in their compensation packages (n=9) compared to those who did not receive coaching (\$1150, n=2). Finally, those who received coaching would obtain an additional .88 weeks of vacation (n=17) compared to those who did not receive coaching (.25 weeks, n=4). Coaching increased both the frequency of counter-offers and potentially increased the overall compensation package.

It is interesting to note that subjects were more likely to use analytical language when presenting a counter-offer to a female hiring manager, suggesting that respondents felt that a tone that conveyed rational and emotionless arguments would be more persuasive and more favourably received. Also, although not statistically significant, all tones expressing confidence were aimed at male hiring managers. Future research should examine how candidates perceive the tone of their response will influence the employer, as well as how the employer interprets counter-offers differing in tone.

As part of the strategy to advance women in the workplace, Ontario became the first Canadian province to introduce Pay Transparency Legislation (Benefits Canada, 2018). Although limited to larger organizations (beginning with Ontario's public service and gradually

extending to employers with more than 250 employees), this legislation is aimed at increasing transparency in the hiring process and providing women with more information when negotiating their salaries. The legislation addresses three important issues. First, organizations will be required to publicly advertise jobs with salary rates and ranges. Previous research strongly suggests that gender differences favouring men are reduced when women receive information about the bargaining range. This may increase women's propensity to initiate negotiations as a posted salary range signals that negotiation is possible and frames the negotiation as an opportunity to ask, thereby reducing negative social repercussions associated with engaging in negotiations. Further, previous research has shown that when the possibility that wages are negotiable is explicitly mentioned, women are as likely as men to initiate negotiation. Second, the legislation bars organizations from enquiring about a candidate's past compensation. Numerous experts recommend that candidates avoid answering questions about past compensation or salary expectations (see Babcock & Laschever, 2007; Chapman (2000); Kurtzberg & Naquin, 2011). Since previous research has demonstrated that women ask for less and expect less, women who divulge salary expectations early on may inadvertently undercut themselves. If organizations must make the first offer (and within the posted salary range), then women can avoid the trap of 'low-balling' their worth. Third, the legislation prohibits reprisals against employees who discuss or disclose salary information. This too will also increase the transparency of the true salary range and previous research has demonstrated that women who consult with and seek advice from others obtain better salary outcomes.

Another significant component of the strategy to advance and empower women involves increasing access to training and mentoring opportunities. Previous research has provided evidence that coaching and mentoring results in higher salaries for women. Seeking advice from

male peers, a form of peer-mentoring, provides invaluable information on realistic salary expectations.

In a comprehensive review of job salary negotiations, Chapman et al. (2017) conclude that the domain of job offers, and compensation negotiations is under-researched both from a theoretical and an empirical perspective. The new legislation provides many avenues for future research, including examining the effect of posted salary ranges on the propensity to negotiate and negotiation outcomes, the effect of coaching, mentoring and social networking on salary expectations, and changes in employer behaviour in conducting salary negotiations.

### **Conclusions**

Prior to university graduation, negotiation is not taught. Even upon graduation, negotiation is either obtained through specialty training or professional schools. Despite the bias towards women in negotiation, there are tools and techniques that can be utilized to increase the likelihood of an advantageous outcome of negotiations, both in the short and long term. Through effective coaching, guidance and mentorship prior to seeking employment, women can drastically improve their salary positions, thus helping them close the gender wage gap. The results of this project clearly indicate that women who received coaching on why salary negotiations are important, how to prepare for that negotiation and how to navigate the negotiation itself were more likely to ask for more and to aim for what they are worth.

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Table 1: Descriptive Statistics – Bargaining Parameters

<b>Group</b>	<b>Compensation</b>	<b>Mean</b>	<b>s.d.</b>	<b>Median</b>
<b>Experimental Group (n=42)</b>				
LOWEST	Salary	\$53,300	\$5,400	\$52,000
	Bonus	\$2,300	\$1,600	\$2,000
	Vacation	2.2	0.6	2
TARGET	Salary	\$58,900	\$4,800	\$58,000
	Bonus	\$4,100	\$2,200	\$4,000
	Vacation	3.2	0.7	3
HIGHEST	Salary	\$67,100	\$7,100	\$65,000
	Bonus	\$6,900	\$4,000	\$6,000
	Vacation	4.4	1.2	4
<b>Control Group (n=34)</b>				
LOWEST	Salary	\$43,800	\$9,900	\$45,000
	Bonus	\$930	\$1,200	\$500
	Vacation	2.2	1.5	2
TARGET	Salary	\$52,900	\$8,600	\$50,000
	Bonus	\$2,500	\$2,500	\$1,500
	Vacation	2.9	0.7	3
HIGHEST	Salary	\$65,900	\$12,300	\$65,000
	Bonus	\$4,700	\$4,400	\$4,000
	Vacation	4.1	1.5	4

Table 2: Descriptive Statistics – Counter-offer

<b>Type of Response</b>	<b>Experimental (n)</b>	<b>Control (n)</b>
Accepted offer without reservation	1	10
Accepted offer but expressed desire to discuss further	0	8
Responded with the desire to discuss	8	7
Counter-offered Salary <sup>1</sup>	31 / 28	10 / 9
Counter-offered Bonus <sup>1</sup>	13 / 9	7 / 2
Counter-offered Vacation <sup>1</sup>	18 / 17	5 / 4

<sup>1</sup>First frequency represents a subject's indication that they would 'like to counter-offer' but not offering a concrete proposition; the second frequency represents a counter-offer with a concrete value.