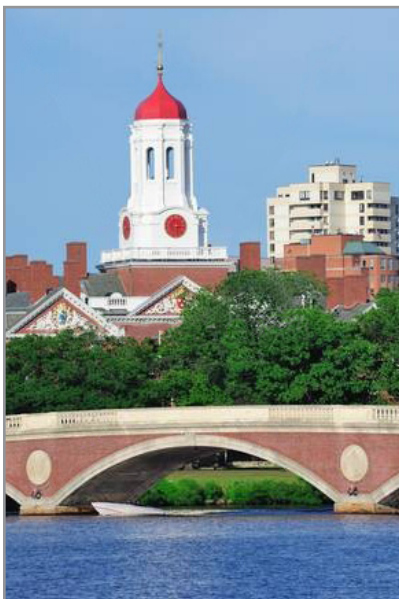




SPECIAL REPORT

Training Women to Be Leaders

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Why women don't ask

Adapted from "First You Have to Ask," by Linda Babcock (professor, Carnegie Mellon University) and Sara Laschever (writer and editor), first published in the *Negotiation* newsletter, January 2004.

Think back to the hiring process that led you to your current position. Maybe you had just received your MBA and met with a number of different companies before choosing the job you thought was right for you. Or maybe you were moving up in your company or switching to a new profession entirely. After a tough round of interviews, you were excited to be offered the job—but were you happy with the terms? Did you negotiate your salary or accept the first offer on the table? Since then, have you had any doubts about the way you did—or didn't—bargain?

Your answers to these questions probably reveal a lot about you, including one key thing: your gender. If you're a man, chances are that you haggled over your salary offer. If you're a woman, it's more likely that you agreed to the first offer on the table—and got off to a much slower financial start than most men.

In research with Michele Gelfand, Deborah Small, and Heidi Stayn, we've sought to identify unrecognized gender differences in the workplace by looking at the degree to which men and women initiate negotiations. What we found startled us. In several very different studies, the results were the same: men were significantly more likely to negotiate than women. In one study, men negotiated twice as often as women; in another, men negotiated *nine times* more frequently. Ruling out differences in age, education level, and work experience, we came to a firm conclusion: men use negotiation to promote their own interests far more often than women do. This finding has serious implications not only for individuals, but for the organizations that employ them. Left unchecked, gender disparities in negotiation quickly transform into clear pay and promotion inequalities and costly employee turnover. All managers, male and female, can benefit from addressing this deep-rooted workplace problem.

The accumulation of disadvantage. Women not only initiate negotiations far less often than men, they pay an astonishingly high price as a result. In salary

negotiations alone, women routinely leave hundreds of thousands of dollars on the table. Over the course of their careers, small differences between what women accept and what they could have earned mount up dramatically. Suppose that two 30-year-old recent MBA graduates, a man and a woman, receive job offers for \$100,000 a year. By negotiating, the man raises his offer to \$111,000, while the woman accepts the \$100,000 without trying to get more. Even if both receive identical 3% raises for the rest of their careers, by the time they retire at 65, the difference between their annual salaries will have widened to \$30,953.

The man who negotiated will earn more than the woman during every one of the 35 years in which they both work. If he invests this “extra” yearly income in an account earning 5%, that initial \$11,000—the product of a one-time negotiation—will grow to \$1.6 million dollars by the time they both retire.

This is a massive return on a one-time negotiation—a conversation that may have taken no more than five minutes. It’s also an extraordinary amount for a woman to *lose* by avoiding that first salary negotiation. Sociologists call this exponential transformation of small disparities into dramatic differences the *accumulation of disadvantage*.

While these numbers are staggering, they don’t even account for additional wealth tied to salary, such as bonuses, stock options, and pensions. In addition, a man who negotiates his starting salary will probably negotiate better raises and more promotions throughout his career, making the financial rewards of his greater propensity to negotiate almost incalculably high.

Women sacrifice other things besides money by avoiding negotiation. Suppose that a man and a woman with similar training and skills are hired to do similar jobs. Early in his tenure, the man asks to join the team working on an important project. Joining this team raises his profile within the organization, gives him valuable leadership experience, and allows him to develop new skills. The next time his superiors need to staff a critical project, the man will have a real advantage over his more reticent female counterpart. And if he continues to ask for career-promoting opportunities more often than she does, he’ll advance much faster up the organizational ladder, regardless of their respective talents and abilities.

The costs to organizations. Setting aside issues of fairness, if an organization hands out important projects, opportunities, and promotions based largely on the basis of who asks for them, that organization will inevitably waste the skills of the most talented women on its payroll. Because men are more likely than women to ask for these opportunities and rewards, most of them will rise more quickly than their female peers—and end up filling the top spots in the organization. But some of those men will be less qualified and less able than some of the women left behind. Allowing women to get stuck in middle management simply because they don't pursue advancement as aggressively as their (sometimes less-talented) male peers can create costly inefficiencies and limit an organization's productivity. In the current economy, no company can afford to squander any of its resources, particularly one of its most important resources—human capital.

Allowing women to accumulate disadvantages on the job by not negotiating harms employers in other ways as well. Surveys indicate that people most often leave their jobs because they feel their skills aren't being fully used or appreciated. If women see their male peers receiving better assignments and bigger raises, they may decide to leave.

Turnover is really expensive, says Steve Sanger, CEO of General Mills. "If we've invested in recruiting and developing good people, then we want them to stay."

Attrition costs American companies billions of dollars every year. On average, replacing an hourly worker costs an organization 50% of that worker's annual salary; replacing a professional worker costs 150% of her annual pay. Why so much? Add up screening and hiring costs, opportunity costs for the employees doing the hiring, and lost productivity until the replacement worker gets up to speed, and you're talking about a lot of money. Factor in the low morale of employees who have to pitch in while a replacement is found and trained, and the costs skyrocket. Our calculations show that these costs can have a huge impact on the bottom line of a typical midsize company—costing as much as 3.4% of revenues and an astounding 45% of profits.

In other words, any initiative that reduces attrition will boost profits. Encouraging women to ask for what they want and creating a workplace

environment that's receptive to women who negotiate offers businesses a genuine competitive advantage.

Why women don't ask. To enable female employees to ask for what they want, managers must first understand why most of them don't. There are two primary factors: how girls are socialized while they're growing up, and how women are treated as adults.

Beginning in early childhood, girls are taught to be "communal," to make relationships a priority, and to focus on the needs of others and think less about their own needs. These lessons are conveyed by the chores they're assigned (such as looking after younger siblings), by the toys they're given (baby dolls and play kitchens), by the books they read and the television shows they watch, and by the behavior of older children and adults.

This early socialization can be so powerful that many women reach adulthood unaware that they've internalized these lessons. Focusing on the needs of others, they think less about their own needs and wants. As a result, they often fail to recognize opportunities to improve their job enjoyment and status through negotiation.

The primacy of community in women's lives also leads them to worry about the impact negotiations may have on their relationships. Many women fear that a disagreement about the substance of a negotiation—who will get and give up what—represents real conflict between the negotiators. Trained to placate rather than antagonize, to give rather than to get, and to prize interpersonal peace over personal gain, women often experience more anxiety about negotiating than men do. This anxiety can deter them from asking for what they want even when they do know what that is.

Our interviews with dozens of women also confirmed that women who come across as "too aggressive" in the workplace frequently end up disliked and ostracized—and unable to get what they want anyway. All these social factors deter women from initiating negotiations.

What organizations can do. To make the most of your female workforce, the first step is to pay attention to who initiates negotiations in your organization and adjust your decision making accordingly. Even managers who genuinely care about the advancement of women will discriminate unknowingly if

they hand out assignments primarily to those who ask for them. By stopping to think whenever a man asks for an assignment whether he will do the best job or whether a woman who hasn't asked might do the job better, managers can begin to right some of the imbalances created by men's greater propensity to ask for what they want.

Managers can also employ one of the most time-honored methods of cultivating employee potential: mentoring. We've seen many women change quite rapidly after hearing the following advice from a trusted superior: Assume that everything about your working life is negotiable. Volunteer for projects that interest you. Actively pursue your professional goals.

In many cases, simply showing a woman hidden opportunities for advancement can help her view her career in a new light. Understanding that her managers can do their own jobs better when they know what she needs to meet her full potential can also relax some of the constraints holding her back.

Lastly, organizations can raise awareness among all employees about how different responses to the same behavior in men and women can deter women's progress and hurt the organization. Why do we call assertive men "go-getters" or "straight shooters" but label women who behave in similar ways "pushy" or worse? By making your organizational culture more hospitable to women who ask, you can show women that negotiating for their own advancement can be a winning strategy both for them and for your organization.

Negotiating flexible work arrangements

"What Happens When Women Ask for Job Flexibility," first published in the *Negotiation* newsletter, July 2011.

In recent years, some employers have become more open to allowing employees to work at home and to have flexible schedules. Evidence suggests that women are more likely than men to negotiate for such flexible work arrangements, which are often aimed at helping people care for children and aging parents—traditionally "female" tasks.

When do women choose to pursue greater flexibility, and what affects their negotiation results? As they report in a 2011 study, researchers Danna Greenberg

and Elaine M. Landry of Babson College surveyed 404 professional women who had attempted to negotiate for flexible work arrangements.

The women answered questions about whether their organizations have formal policies regarding flexible work arrangements, whether the organization's informal culture accommodates personal/family demands, their degree of perceived power within the company and in their recollected negotiation, and whether they focused more on collaborating or claiming value during the negotiation.

Women who felt more powerful than their counterparts took a more collaborative approach and achieved better results. In addition, women working for organizations with formal policies on work-life balance made more gains than those who did not have formal support. Finally, those who felt backed by their organizations' informal culture took a collaborative approach to their negotiations, but this difference did not affect their outcomes.

The results suggest that women may need to feel powerful within their organizations before they are comfortable requesting special arrangements that violate workplace norms. And although other research suggests that men generally seize on negotiating opportunities more often than women do, this may be one area where men continue to avoid negotiating, as long as stereotyped expectations of them as breadwinners who work long hours at the office persist.

Source: "Negotiating a Flexible Work Arrangement: How Women Navigate the Influence of Power and Organizational Context," by Danna Greenberg and Elaine M. Landry. Journal of Organizational Behavior, 2011.

Negotiating the gender backlash

Adapted from "What Happens When Women Don't Ask,"
first published in the *Negotiation* newsletter, June 2008.

A series of experiments shows that women face a significant backlash when they assert themselves in negotiations. Linda Babcock (Carnegie Mellon University), Hannah Riley Bowles (Harvard Kennedy School) and Lei Lai (Carnegie Mellon University) had male and female participants imagine that they were senior managers evaluating an internal candidate for a position within

their firms. Next, participants watched videotaped interviews of pairs of actors carrying out the job negotiation.

In evaluations of the candidates, both male and female participants (whose average age was 29) were significantly less willing to work with a female candidate who attempted to negotiate her salary than with a female candidate who did not try to negotiate salary. Female participants also penalized male negotiators who asked for more money, but male evaluators did not. Participants of both sexes viewed women who asked for more to be less nice and more demanding than women who didn't ask.

The stark truth: Women who asked for more money were disliked—and penalized accordingly. Women's reluctance to negotiate may actually be a reasonable choice in such instances.

Having achieved significant gains in the workplace, women now face a double bind. To advance and succeed, they need to advocate for their interests—yet when they do so, they may be punished for being unfeminine.

Advice for women negotiators. How can women ask for what they need without triggering a backlash? Here are three pieces of advice:

1. Collaborate to be liked. In the *Negotiation* newsletter, we stress the importance of using collaborative techniques to get what you want. When you explore the other side's interests, engage in joint problem solving, and use influence strategies rather than coercion and demands, you'll be in a better position not only to create value for both sides but also to claim greater value for yourself.

Although a collaborative approach obviously benefits all negotiators, it may be crucial for women. Why? Because women need to make an extra effort to be liked during negotiation, write Babcock and her colleague Sara Laschever, or risk a backlash.

That doesn't mean pasting on a permanent smile when asking for a higher salary. Rather, it means expressing appreciation for the other side's perspective, supporting arguments with objective criteria, and framing comments in positive terms—"I'm ready for a new challenge" rather than "I'm really tired of my job."

2. Connect your goals to the organization's. Despite research showing that many women are reluctant to ask for what they need, evidence also suggests that

women who do negotiate are likely to thrive. That's the conclusion Deborah Kolb of Simmons University and Jill Kickul of New York University drew from a 2005 survey of 470 professional women attending a leadership conference.

These women recognized the value of negotiation as a tool for career success; 53% of them showed a strong proclivity to negotiate. Attesting to the power of negotiation, this group was consistently more satisfied with their jobs than those who asked less regularly for what they needed (74% versus 26%).

How did these women negotiate effectively for their success without triggering a backlash? By identifying pressing concerns within their groups, they were able to lobby for resources and responsibilities. These “small wins” in turn attracted positive attention. Connecting their individual interests to the good of their organizations helped these leaders avoid appearing aggressive and established a formula for success.

3. Navigate the shadow negotiation. Suppose that a manager named Gwen makes a case for a significant raise following a year of excellent performance. To her surprise, her usually supportive boss responds by downplaying her achievements: “That request is way out of line with what I’ve seen from you.” Gwen is tempted to back down, though she knows a male colleague was recently awarded a hefty raise for meeting similar targets.

When you negotiate issues that challenge people’s deeply seated beliefs about gender, they may respond with moves that question your credibility and competence, according to Kolb. In their book *Everyday Negotiation: Navigating the Hidden Agendas in Bargaining* (Jossey-Bass, 2003), Kolb and Judith Williams write that such moves are part of a “shadow negotiation” that goes deeper than the issues at stake. Your shadow negotiation with someone encompasses how you treat each other, who gets heard, and how cooperative and open you are.

Women can counter demeaning, critical, and threatening moves by turning the conversation in a more productive direction. Rather than backing down or becoming defensive, Gwen might ask her boss about his reasoning: “Can you explain why you feel that way?” She could also reference data showing the cost savings she has achieved. When you recognize a move as a power tactic, you gain the ability to respond strategically and effectively.

Advice for concerned leaders. Without support from higher-ups, even women who negotiate regularly will advance only so far. To ensure that your organization takes greater advantage of women's talents and skills, follow these three tips from Babcock and Laschever:

1. Audit your assignments. Reflect back on the work assignments you made in the past year. How often did male or female employees approach you about taking on a new opportunity? Were female employees less likely to initiate such negotiations? If so, pause the next time a man asks you for a plum assignment and consider whether he is truly the best candidate.

2. Serve as a mentor. If you've noticed that certain talented female employees are working behind the scenes, talk to them about opportunities that might attract more attention. Simply telling someone that "everything is negotiable" can have a big impact. After Babcock took steps to encourage women graduate students at the Heinz School to negotiate their starting salaries, the percentage of women who did so rose from 12.5% to 68% within three years, matching the negotiation rates and starting salaries of male students.

3. Raise awareness. Organizational policies may subtly discourage women from negotiating and advancing. If administrative staff can work flexible hours but managers cannot, some women may have trouble getting ahead, and men striving for a greater work-life balance may be at a disadvantage as well. Examine your organization's culture for such hints of bias, and institute more gender-neutral practices.

3 take-aways for women negotiators

- ❶ You may be passing up opportunities to negotiate on your own behalf.
- ❷ Avoid a backlash by meshing your interests with those of your organization.
- ❸ Be on the lookout for power tactics, and turn them to your advantage.

Dealing with potential chauvinists

“Dear Negotiation Coach: Dealing with a problem partner,” by Deborah M. Kolb (Professor, Simmons School of Management), first published in the *Negotiation* newsletter, December 2007.

QUESTION

I am a successful businesswoman who works in a male-dominated industry. Though most of my male colleagues and customers treat me with respect, I have a problem with “Norm,” a longtime service provider with whom I negotiate contracts on a regular basis. Norm refuses to discuss technical details of his service with me. In fact, he routinely tries to negotiate instead with my male colleagues, who don’t understand his business as well as I do. My boss admits that Norm is an “old-school chauvinist” but says that he’s a valued long-term partner. How can I convince this aggravating counterpart to take me seriously?

ANSWER

The situation with Norm is clearly taking too much of your time and diminishing your position, and it’s not serving your company well, either. Yet, as my colleague Jill Kickul and I have found in our research, this connection between what is good for your company and what is good for you offers the best opportunity to improve the situation.

You have three separate but linked opportunities to negotiate: with Norm, with your colleagues, and with your boss. Begin by assessing how well Norm’s company is meeting your firm’s requirements and by researching other comparable service providers. Having a viable alternative to working with Norm will bolster your confidence, even if you don’t intend to use it.

Next, let’s consider how you should deal with Norm. Research shows that in conflict situations, especially those with gender or racial undercurrents, we tend to see ourselves as being in the right and the other person as the problem. Although you and your boss may view Norm as a chauvinist, I’m guessing that’s not how he sees himself. Ask yourself, What good reasons might Norm have to avoid negotiating with me? Perhaps your technical expertise has led him to

believe that you can't see the big picture. Or maybe he's completely unaware of his behavior. This type of diagnosis can lead to a productive discussion with Norm about how you can work together more effectively. If, for example, he thinks you don't have the authority to negotiate a contract, you can assure him that you do.

Let's not forget your colleagues—potential allies in this situation. I've seen successful women tackle such dilemmas by asking a trusted ally to redirect the action. Ask your male colleagues to “remind” Norm that he should be talking to you instead of them. This will reinforce your role and subtly point out Norm's behavior to him.

Finally, recognize that this is not just your problem, but your organization's. If your technical know-how is being overlooked, share this concern with your boss and be clear about the type of support you want. You might ask him to attend a meeting with Norm, at which he positions you as the company's “go-to” person, or to remind your colleagues that negotiating contracts with Norm is your responsibility.

What if Norm *is* an “old-school chauvinist”? You probably won't change his attitude toward doing business with women generally, but these strategies should alter the way he behaves toward *you*. By breaking a big problem into discrete yet linked negotiating opportunities, you can tackle it productively.



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