

NEGOTIATION: ARE WOMEN BAD AT IT?

By Horacio FALCAO - INSEAD

Several women and probably some men think that women are bad negotiators. This perception hardly comes as a surprise as women compared to men are on average paid less and occupy fewer leadership positions. Despite some reduction in the gender salary gap and an increase in the number of women in leadership positions in the past decades, said advances seem to have stalled before women reached equality with men. Women when compared to men have on average fewer or worse negotiation opportunities and conditions.

Even when given similar opportunities, women still get on average worse negotiated outcomes than men. There seems to be lots of evidence that women are indeed bad negotiators or at least worse than men. On the other hand, women's negotiation results are claimed to be more a consequence of learned gender behaviors than of genetic imprint. Indeed, women have great potential to become great negotiators if they only understand and overcome a few internal and external gender barriers.

Gender Barriers in the Workplace

Women face three main gender related barriers in the workplace that have a direct impact on their negotiation abilities or outcomes: language, roles and stereotypes.

Language Barriers

Words such as "assertive", "dominant", "decisive", "ambitious" and "self-oriented" used to describe male-associated behavior (or a behavior associated with the male gender) are

at the same time repeatedly used to describe the positive qualities of good managers or negotiators. In contrast, words used to describe female-associated behavior, such as "warm", "expressive", "nurturing", "emotional", and "friendly" are not.

As a consequence, people may have a harder time identifying good negotiation behaviors in a woman. Even when a woman negotiates successfully, assertive and ambitious behaviors may be credited as the factors of success instead of her female-associated behaviors, such as listening and empathy, and her performance in a team with male peers for example may go unacknowledged and unrewarded. This language barrier can undermine women's confidence in their own abilities, and the chances that they will be selected as key negotiators or prove themselves when given a chance.

Gender Roles

Women, much like men, are bombarded mainly at a young age with numerous messages from different segments of society about their gender role, including influential TV shows and movies. Girls are supposed to be nice, caring and reserved, while boys are expected to be aggressive, individualistic and outgoing. On top of what girls and boys are supposed to be or do, there is a layer of what they are not supposed to be or do and that usually equates to behaviors associated with the other gender. A boy that is nice, caring and reserved will probably not be very popular among other boys; while a girl who is aggressive, individualist and outgoing might be called names behind her back and even ostracized altogether.

If gender roles were balanced in both opportunities and limitations, we would have less of a problem. However, it seems that the female role carries more limitations, while the

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male gender role carries more opportunities. Children of both genders alike associate male roles as liberating and geared towards opportunities, while associating female roles as constraining and linked to obligations. Boys for example are expected to claim the spotlight, while girls will not be equally rewarded or praised if they try to call as much attention for themselves. For example, in the US only 18% of major TV roles are female, which may send the message that women are not supposed to take lead roles.

As boys become men and girls become women, gender roles continue to have a strong impact on people's choices and behaviors as well as on their social perceptions and treatment of one another. Social roles suffering from historical inertia end up reinforcing the perception of the allocation of gender at the workplace. You will find over 80% of corporate officers, engineers, construction workers, TV experts on business and economics to be men, while 80% of child-care, social workers, elementary school teachers, secretaries and nurses to be women, with the latter being linked to lower pay than the former.

Finally, gender roles increase imbalance in the workplace, as male managers are accepted and respected in either one of two different leadership styles: autocratic (power-driven) or democratic (people-driven). On the contrary, women who attempt to lead through an autocratic style or just try to be more assertive are seen as transgressing their gender role and then faced with extreme resistance and pressure to adopt behaviors consistent with their role. Thus, for women to succeed in negotiations or in the workplace they have a reduced number of available styles to choose from if they want to avoid unnecessary resistance generated by those styles outside of the perceived boundaries of their gender role. If they choose to be assertive anyhow, they need to do more than their male counterparts and use positive social "softeners" to outmaneuver

the resistance that will emerge from the perceived gender role transgression. That means that women have fewer and harder choices when it comes to leadership and influencing, which are at the heart of negotiation.

Minority stereotype status

Consistent with the gender role barrier described above, another challenge presents itself for women; despite there being more women in the world than men, women are treated as a minority. Education, as well as some of the messages described earlier, reinforce in girls' and women's minds the idea that they are not entitled to be the best or occupy the limelight. That may be one of the reasons why we find women that wholeheartedly believe they are bad in sciences and math in spite of consistently getting the best grades in these subjects in class. It is as though women are the majority that does not hold true in terms of power, resources and abilities. Moreover, women are then taught not to complain about it with stereotypical statements such as: "Good girls don't beg, ask or complain!" or "Good girls are nice!"

It is no surprise then when we find several women feeling a depressed sense of entitlement and completely disempowered. When asked to work until they felt they deserved a certain cash amount, women worked over 20% more than men while being no less productive. In another study, when a third party was present in the room, women worked even harder than they normally do and asked for even less money; meanwhile, men under the presence of a third party, worked the same as before but asked for even more money. Women feel they have to work more to deserve the same as men, which reinforces their own perception as a power minority.

When inserted in the workplace where women tend to be a minority even in terms of numbers, women will fall victim to stereotypes that solidify their gender roles and devalue their work. The smaller the number of women in an organization, the more stereotyped and devalued they will be. This stereotype threat

creates another perverse effect as women start to buy in to the stereotype themselves. In one study, when Asian American women were asked about their gender before doing a science exam, they would fare significantly worse than another group of Asian American women who were not asked the same question about gender. The whole process of believing that women are not supposed to be good in science creates an added level of anxiety that is proven to reduce productivity, thus creating a self-fulfilling prophecy.

Finally, there may be women who decide to rebel against said stereotypes or roles and try to emulate male-associated behaviors such as assertiveness and ambition in the workplace in an effort to succeed. The consequences are usually negative reactions from the people around her, women and men alike, who reject the transgression of the gender role and require through all sorts of social pressures that the woman return to her assigned role. The few women who manage to overcome said pressures to rise to the top usually do so at a greater personal sacrifice than would be expected from men in similar conditions.

Gender Specific Negotiation Challenges

After finding out that her male counterparts earned more than her, Feng An decided to leave, but first she decided to inform the HR manager who hired her in the first place.

- "Joyce, I cannot keep on working at a place that does not value me. I am here to let you know that I am resigning!"

- "But An, what is going on? What happened? Just a couple of months ago we spoke and you said you were very happy here."

- "Indeed I was but now that I learned that I am earning 17% less than my peers and I do not think that I can stay here anymore."

- "Well An, when I offered you your salary, you did not complain at all. You actually seemed quite happy that you were getting it."

- "I was very happy with the job, but I took the salary because I thought you were treating me fairly. Now that I know you weren't, I think I prefer to leave."

- "An, I offered your colleagues exactly the same amount and the three of them asked me for more, so I gave it to them. If you had told me then that the number I offered you was low, I would have seen if we could increase it as well. Come on An, you know how negotiations go! Do not take this badly! Please stay! At least, think about it for a while before making the decision."

- "I do not know if I want to be here anymore. But I will think about it."

As we can see from the negotiation above, Feng An was a victim of several gender traps and the way she managed her own negotiations may have made things worse and reinforced some negative stereotypes. The above gender barriers generate 3 main gender-specific negotiation challenges: negotiation as an exception; negotiation under lower expectations; and harder negotiation counterparties.

Negotiation is an exception

For many women, salary is "like a price on an item in a store." You just do not negotiate it. Interestingly enough, 20% of women never negotiate at all, salary or otherwise. For many women, negotiation is something that can easily lead to conflict, which women more than men are averse to as they are raised to fit the gender role of taking care of people and not of confronting them. Women will then shy away from negotiation opportunities about twice as many times as men which means they give away twice as many times opportunities to improve their own situation (though running half the risks of entering a conflict).

Additionally, women also have a more inherent expectation that life is supposed to be fair, which also leads them to believe that others will be taking care of them as they try to take care of others. In a negotiation scenario, this not only leads them to try to be as reasonable as possible with their offers and demands to begin with, but they also are less likely to challenge a demand or offer made to them under the assumption that the counterparty is also being fair. In the event that women perceive the offers and demands from the other side as unfair, they will avoid the conflict and either

walk away from the relationship without trying to negotiate a better solution or accept what was offered maybe for lack of alternatives and then regret the decision and feel miserable. In

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any event, the underlying assumption and belief that life is fair (or supposed to be) makes women enter a negotiation more exposed as they do not prepare themselves as thoroughly for a scenario in which unfairness, even if as an exception, becomes an issue.

Negotiation under lower expectations

As mentioned above, women perceive they deserve less than men even with similar qualifications and performances and tend to negotiate on average lower salaries for similar positions. This is usually the result of women setting less aggressive or ambitious goals and asking fewer questions, perhaps because of the sense of fairness, conflict avoidance or even to fit into the "nice" role expected from women. This difference in negotiation outcomes tend to be more extreme the more ambitious the boundaries of the negotiation are.

Another potential factor that influences women to ask for less is rooted in how people gather information. When preparing for a negotiation, people tend to resort to their social network and they tend to be gender-biased (men know more men and women know more women). As a consequence, men will tend to get information from men who already have higher salaries while women will tend to get information from other women who will have lower salaries compared to men. Thus the starting negotiation point for women will tend to be anchored lower than that for men.

Harder negotiation counterparties

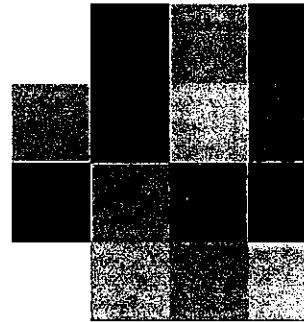
Stereotypes create another gender-specific challenge in negotiations. While women fare worse in negotiation because they ask for less and give away more, men learn to negotiate even harder with women by giving away less and asking for more. So even if a woman negotiator is not one which fits the stereotype, she will still face harder adversaries than men would. Even if the counterparties are the same they will react differently with a man than with a woman based on their stereotypes and thus expectations. A woman generally faces negotiators that expect her to give more and ask for less on top of being nice and if she does not, her counterparties may get angry and deteriorate the relationship for no particular fault or mistake of the woman negotiator besides not fitting the stereotype.

Negotiation for Success

To overcome the business and negotiation gender obstacles and improve negotiated outcomes, women should strive to: reduce external and internal uncertainty; play to their strengths; and manage the gender label to their advantage.

Reduce Uncertainty

Women generate worse negotiation outcomes than men, when within ambiguous, uncertain or unknown negotiation boundaries. The lower entitlement feeling and the "caring" or "nice" gender role may lower women's ambitions or behaviors without a stronger standard to counteract their effects. Women obtain similar outcomes to men when they have enough information about standards and previous outcomes. Thus, women (as well as men, by the way) should research standards and



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previous outcomes exhaustively including outside their immediate network to avoid a gender bias. The added benefit of bringing standards of fairness to the negotiation is that it helps make it gender neutral.

Women reduce their ability to claim value for themselves by setting less aggressive goals and not asking enough questions. Women can ask for help when setting goals as it is proven that setting more aggressive goals is linked with obtaining higher negotiated outcomes. In asking for help, women will be researching as suggested above and shaping their asking price grounded on realistic expectations without any unnecessary discount inspired by a lower sense of entitlement for example.

Another strategy is to either ask for another woman to negotiate on your behalf or pretend to be negotiating on behalf of another person. In these situations, women get on average negotiated outcomes that are beyond 10% better than men's. The hypothesis is that women representing others put their individual gender issues aside more easily and their sense of fairness and caring actually play to their advantage as they try to do all it takes to get the best deal for their constituents. To improve negotiated outcomes even further, women can focus on fairness from a different point of view, one in which they trust that their counterparties are also well prepared and will negotiate fairly to obtain the best possible outcomes for themselves.

In order to increase the number of questions asked, as this may generate some anxiety to many women, preparing and role-playing asking questions and anticipating other performance obstacles is important. Generating alternative strategies to productively handle anxiety-producing situations is proven to greatly increase women's ability to negotiate better outcomes.

Play to your strengths

When trying to emulate a male-associated behavior, women tend to face greater resistance. It seems that women are left with fewer alternative styles to negotiate. If on one hand, women seem to face resistance or rejection when expressing assertive or

aggressive behaviors; on the other hand, men are also not respected or admired for showing what could be perceived as emotional or weak behaviors. Each gender role has its own limitations.

Instead of fighting to break away from the gender expectations altogether, women can reinvent and redefine their boundaries by playing to their strengths and maximizing their potential. One of the best ways to manage that instead of consistently fighting it, is to find gender-role consistent negotiation styles.

Women do not need to accept their gender role limitations; on the contrary they can take advantage of several skills that are more commonly found in women that are very useful in generating better negotiated outcomes if properly used. For example, women tend to be better skilled at value creation and relationship building such as fairness, listening, empathy, curiosity, likeability, etc. Also women are actually very good at asking questions; what they usually fear is the risk of instigating conflicts or confrontation. Women can focus on less confrontational open and diagnostic questions (which they tend to be better at than men), which is an excellent tool to create value as well as to claim it. As we can see in the story below:

In a situation, where a lawyer had several billable hours cut a bonus reduction proportionate to the given cut would generate in many the urge to negotiate their hours (and thus their bonus) back. A woman emulating a man negotiating would probably go into the partner's office and ask: "Why were my billable hours cut? I think this is unfair. I want my hours back!" The risk here is that the partner tells her that the cut was done because of dissatisfaction with her work overall and that they could not charge the client for it. This is a risk most women are very alert to before the negotiation and probably one of the reasons why they would not choose such a negotiation and questioning approach. On the other hand, this story of a lawyer in Brazil demonstrates that women can ask questions and do a great job at negotiating when they play to their strengths.

Luciana: "Are you unhappy with me or my work? Is there a problem with my performance?"

Evaristo: "No, not at all! Why?"

Luciana: "Well, I ask because so many more of my billable hours than that of my peers were cut in the last month and I could not understand why it happened. The main assumption I had was that I did something wrong."

Evaristo: "I am very sorry to hear that! I will correct this right away. Thanks for letting me know."

(The partner called the administrative office and rectified the problem. The story ends with the partner becoming Luciana's ally and mentor and Luciana being promoted internally.)

It became irrelevant if the hours were cut intentionally or not because of gender issues. The strategy of asking diagnostic questions and the search for a joint problem-solving approach indicated to the partner that despite a more aggressive behavior, Luciana was not going to take the cut in her billable hours without a good explanation. Independent of the reasons, it gave a chance for the partner to reinstate the hours without having to lose face, if indeed the cut was done with poor intentions. By revealing the impact of her cut hours on her as well as her sense of fairness in the situation, Luciana conveyed to the partner the overall impact of his actions and the implicit unfairness in it. Still, as she asked her questions, she clearly indicated that she did not assume anything, but rather was looking to learn, which also reduced confrontation and open the conversation to a potential in which there could have been a problem with her performance. In which case, she would be in a better position to talk productively about it and avoid a conflict, even if she disagreed with the partner's assessment of her performance. She indicated that the problem was about a lot more than just money, it was about fairness and her performance and that made it easier for her to ask.

Manage Gender Labels for your Advantage

During the same research mentioned previously on Asian American women, when they were

asked about their race instead of gender, their performance in the science exam went up. The interpretation was that Asian Americans are recognized for being better than average in science, and this label helped women build confidence and focus. The same women when asked about gender before sitting for an English exam performed better than when asked about race. This demonstrates that no label is bad per se, but rather that labels carry negative or positive stereotypes that can be triggered in different situations with different consequences.

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Each person is multifaceted and hence carries several labels. A woman aware of all her labels can use them accordingly to either generate a positive scenario (women are better in languages) or to counteract the surfacing of a negative one (Asian Americans are better in sciences). Anyone can use positive stereotypes to manage labels in a negotiation towards a favorable environment, to develop higher empathy or even power.

When Aisha was called in to rescue a relationship with an angry client, she took advantage of her gender label to listen to and understand the client's complaints and managed to fix the relationship so that the client remained with her company. A couple of months later, she had a big negotiation with the same client. Despite a pleasant start, the negotiation quickly turned into a battle over valuations. Aisha found herself being constantly interrupted and not listened to. After a while, she convinced her counterparties to take a break. Meanwhile, she introduced the topic of their previous experiences and once the conversation warmed up, she shared that she had 10 years of investment banking experience with one of the best names in the industry. Once back in the room, she found that the

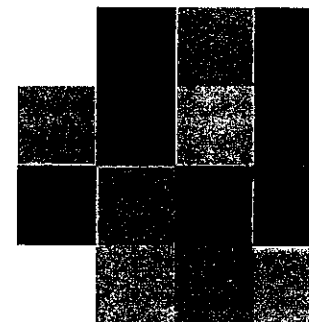
interruptions were fewer and far apart and that her ideas were not only claiming more attention, but actually being requested.

Conclusion

Women are not bad negotiators or even worse than men. Women have some weaknesses as do men when negotiating, just different weaknesses. If men tend to generate higher negotiated outcomes, it is probably because men are better at value claiming than women, but women on the other hand are better than men when it comes to value creation. Women are better able to expand the value of a negotiation, but unfortunately fail to capture much of that value for themselves. This does not mean that they are worse negotiators, just that their weakness has a stronger negative impact on the final outcome.

More female-associated behaviours such as listening, nurturing, mentoring, inclusiveness, collaboration, facilitation, motivation, persuasion, fairness, etc, are becoming mainstream and gender-neutral behaviours considered valuable for modern leadership and negotiation styles alike. Still many of the most famous female leadership or negotiation role models of today (Arroyo, Fiorino, Tatcher, etc) tend to fall under the Lara Craft style (male-associated behaviour done better than men) instead of demonstrating alternative negotiation/leadership styles built around women's strengths. The reason for this biased sample is probably a result of women who competed in a world where there were fewer avenues for them, forcing them to make it the man-way. Nevertheless, with the advances in business research and practice, there is currently a silent revolution that is opening more and more avenues for women to become successful as more of them present the traits that are becoming associated with good managerial skills and modern leadership.

Because women are digging further into gender negotiation obstacles and learning how to overcome them, they may soon surpass men in terms of negotiated outcomes since most men are completely unaware of the impact of gender in a negotiation. Women have the potential to achieve at least as good negotiated results as men if not better still.



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Since then, Horacio has been traveling all over the US, Europe, Latin America, Africa and Asia mediating complex disputes, facilitating dialog, developing negotiation and consensus building strategies. He has worked with clients such as the President of Costa Rica, Discovery Networks, DISH, Visa, Ford, AT&T, Keamey, Alianza Hispana, Lloyds TSB Group, UDV, Andersen Consulting, BMC Software, Search for Common Ground - Angola, Coats & Lyell, The Government of Paraguay, PwC FAS, Ternasek, ST College, FreeMarkets.com, MasterCard, London School of Economics, AOL-Brasil and the Harvard Mediation Program. Horacio has also taught negotiation at the Program of Instruction for Lawyers (PIL) at Harvard Law School and mediation at the Fletcher School of Law and Diplomacy. He combines this diverse and intense practice with a strong interest in keeping himself constantly updated by writing and publishing several articles on the fields of international arbitration, mediation and negotiation. He received his MBA from INSEAD in 2002.