

'Bargaining while black' may lead to lower salaries

November 7 2018

African-American job candidates are more likely to receive lower salaries in hiring negotiations when racially biased evaluators believe they have negotiated too much, according to research published by the American Psychological Association.

The findings could help explain the serious wage gap faced by African-Americans, said lead study author Morela Hernandez, Ph.D., an associate professor of business administration at the University of Virginia. College-educated African-American men earn roughly 80 percent of the hourly wages of college-educated white men, according to the Pew Research Center.

"Racially biased people often believe negative stereotypes that characterize African-American job seekers as less qualified or motivated than white applicants," Hernandez said. "Those stereotypes can have serious repercussions for African-Americans who choose to negotiate their starting salaries."

The study, which the authors say is the first to examine this issue empirically, was published in the *Journal of Applied Psychology*. In one experiment conducted online, 272 participants (57 percent male; 73 percent white, 10 percent African-American, 7 percent Asian-American, 6 percent Hispanic and 3 percent other) were randomly assigned to view one of two resumes that differed only in the photo of a male African-American or white male job applicant. All participants were asked to estimate the likelihood that the job seeker would negotiate his <u>salary</u>



offer, and then they completed a survey about their own beliefs relating to racial bias.

More racially biased participants expected that the African-American applicant would negotiate less, an effect that wasn't found with less biased participants. The study analyzed the effects of racial bias on African-American job seekers and negotiators, not the prevalence of racial bias based on the race of the participants. The study did not examine whether white participants displayed more racial bias than participants of other races or whether the impact of racial bias was more extreme for white participants than those of other races.

A second experiment included 144 working adults (72 percent female; 50 percent white, 27 percent African-American, 14 percent Asian-American, 6 percent Hispanic and 2 percent other) along with 74 undergraduate college students (78 percent female; 21 percent white, 22 percent African-American, 20 percent Hispanic, 27 percent Asian-American and 10 percent other). In each group, participants were randomly assigned to be a job candidate or hiring evaluator, with each pair given 15 minutes for a face-to-face negotiation over a salary with a range of \$82,000 to \$90,000.

White and African-American job candidates negotiated roughly the same amount, but racially biased hiring evaluators believed both male and female African-American job applicants had negotiated more than their white counterparts. "This finding reveals how our brains can see something that isn't in fact there and how racial bias can distort reality," Hernandez said.

Each time an African-American job applicant was perceived to have made another offer or counteroffer, he or she received, on average, \$300 less in starting salary. A third experiment conducted online also simulated salary negotiations and had similar results.



Racial bias in salary negotiations for African-American employees can have detrimental effects for their employers, including employee distrust and increased turnover, the study noted. Employers should design protocols with objective criteria for hiring negotiations, and hiring managers need to be aware of how their own <u>racial bias</u> may affect hiring decisions, Hernandez said.

More information: Morela Hernandez et al, Bargaining while Black: The role of race in salary negotiations., *Journal of Applied Psychology* (2018). DOI: 10.1037/apl0000363

Provided by American Psychological Association

Citation: 'Bargaining while black' may lead to lower salaries (2018, November 7) retrieved 10 May 2024 from https://phys.org/news/2018-11-bargaining-black-salaries.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.