

Study shows gender influences salaries sought by job applicants

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That nagging gap between how much men get paid on average, and how much less women earn, has stubbornly persisted, according to the U.S. Government Accountability Office.

How to make things more fair? One common theory promotes pay



transparency. That is, offering <u>information</u> for job seekers on the salary and how much similar positions offer.

That works up to a point, according to a recent study by researchers including Dustin Sleesman, associate professor of management at the University of Delaware's Alfred Lerner College of Business and Economics. Their results, published in the journal Group Decision and Negotiation, indicate that although pay transparency can shrink the gender gap in salary negotiations, it may not work in some cases. The study is published in the journal *Group Decision and Negotiation*.

According to the Pew Research Center, women's relative pay has gone up in the past 20 years—technically. Its analysis released earlier this year shows that in 2002, women made 80% as much as men. In 2022, that had risen to 82%, a budge on the scale that women aren't likely to describe as thrilling. (At that rate, salaries won't be equal for another 180 years.)

To dig into this disparity, Sleesman and his fellow investigators conducted two studies: One on how men and women find salary information, and another on how those dynamics affect how much money candidates request in a salary <u>negotiation</u>.

Through a survey of MBA students, they discovered that while men and women are similar in how they dig up salary information, women tend to rely more on job websites like salary.com and glassdoor.com, while men tend to gravitate more toward networks of classmates or colleagues, settings where social comparison might come into play.

"Men tend to search for information that allows them to kind of size themselves up ... to compare themselves to others," Sleesman said.

Cultural perceptions of masculinity, the authors wrote, encourage men to



be more aggressive when negotiating and to react when they feel their masculinity is threatened (like discovering that others are making more money). Thus, negotiations are one area where men often feel they need to demonstrate their masculinity.

To investigate how this plays out, Sleesman and his colleagues recruited a little more than 950 study participants, evenly divided between men and women, and had them participate in a simulated salary negotiation for a product manager position. In this scenario, the <u>job seekers</u> had done their research and learned the salary range. They also knew about another employee's salary level.

Participants were divided into four groups, including a <u>control group</u>.

Some were told that this employee had fewer qualifications than they did, some that the qualifications were about the same, and some that this employee was more qualified. All other factors were the same across conditions. Taking all this into account, participants were asked to come up with a salary request and rate how competitive they felt.

As it turns out, which employee participants compared themselves to mattered significantly.

The control group, in which the participants didn't get any salary information, showed a wide gender gap in salary requests. Men asked for nearly \$17,000 more than women, on average.

Participants who had salary information for an employee who was either less qualified or similarly qualified than they were asked for more money than those in the control group. And notably, the gender gap virtually disappeared.

However, it was different for participants who knew the salary of an



employee who was more qualified than they were. In this case, men asked for higher salaries than women, to the tune of roughly \$5,000. This was a much smaller gap than in the control group, but the difference remained.

Importantly, the researchers also found that the gender gaps they observed were due to a heightened sense of competitiveness among men.

In other words, they argue, men's competitive tendencies can reduce the effectiveness of salary transparency.

A growing number of <u>state and local laws require</u> more pay transparency from companies. And some organizations are fully transparent, making everyone's <u>salary</u> public, Sleesman noted. "But these well-intentioned efforts could unintentionally perpetuate the <u>gender gap</u> because of what information men and women tend to focus on and react to," he said.

Men, he explained, are more likely than women to compare themselves to the most qualified person out there.

It's tough to point to a solution to this disparity, Sleesman said. He teaches negotiation and conflict resolution courses, and he recommends to his students that they arm themselves with as much information as possible before starting any negotiation.

"But before this research, it never even occurred to me that men and women may differ in the kinds of information they use," Sleesman said.

Given this study, he said, "Negotiators, both men and <u>women</u>, should be very cognizant of the information they are seeking and really think about the psychological impact it may be having on them."

Sleesman said gender is not the main driver of negotiation results and



only one factor. Preparation, practice and mindset are all more important factors than any demographic or personality characteristic, he said.

"Some people still deny that gender even matters in negotiations," Sleesman said, but since several studies have found that it does play a role, we should be aware of these biases. "But it's not the end all, be all."

He said he hopes it doesn't take 180 years to even things out.

More information: Julia B. Bear et al, Correction to: Gender, Pay Transparency, and Competitiveness: Why Salary Information Sometimes, but Not Always, Mitigates Gender Gaps in Salary Negotiations, *Group Decision and Negotiation* (2023). DOI: 10.1007/s10726-023-09842-0

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