

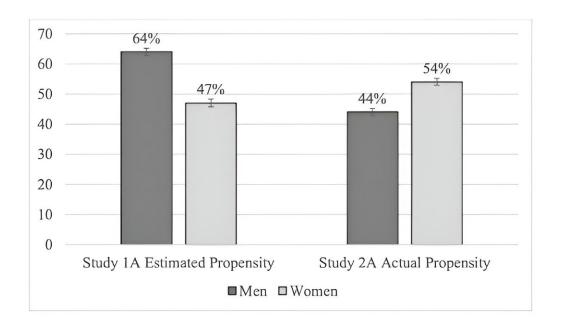
New research debunks the gender pay gap myth that 'women don't ask'

September 8 2023, by Lacie Blankenship

FIGURE 1

COMPARING ESTIMATED WITH ACTUAL GENDER DIFFERENCES IN

PROPENSITY TO NEGOTIATE SALARIES



From the study "Now, Women Do Ask: A Call to Update Beliefs about the Gender Pay Gap" compares the estimated gender differences in propensity to



negotiate salaries with the actual differences. Credit: *Academy of Management Discoveries* (2023). DOI: 10.5465/amd.2022.0021

For nearly two decades, the negotiation skills of working women have frequently been blamed for the gender pay gap. New research by Vanderbilt Professor Jessica A. Kennedy finds the gender difference in tendency to negotiate has now reversed, and the widespread narrative that women don't ask is outdated. While other measures are necessary to completely close the gender pay gap, the study also discusses how people who believe and adhere to the notion that "women don't ask" hinder progress.

"Our research shows that <u>women</u> are willing to do their part to close the gender pay gap. Unfortunately, negotiating well isn't enough to close the gender pay gap. It's not the source of the problem," says Kennedy.

What is the gender pay gap?

Working men make more than working women at every wage level. At higher income levels, the gender pay gap is wider. As <u>reported</u> by the U.S. Bureau of Labor Statistics, women's median earnings were 83% of men's in full-time wage and salary roles in 2021.

After completing MBA degrees, women typically make 88% of what men earn, and the gap widens to 63% ten years later. Notably, women of color experience more significant pay discrepancies than other women.

"Sometimes I have concerns that comparing men and women fuels an unproductive gender war instead of illuminating the real issue, but the point is that employers should be paying in justifiable, transparent ways with equal pay for equal responsibilities," says Kennedy. "A pay gap by



itself doesn't necessarily indicate unfairness, but too often, it causes people to invent false narratives about people who command fewer resources, and that's a real problem. We can't deal with a problem we don't see accurately."

To challenge one of these false narratives, Kennedy co-authored a new publication titled "Now, Women Do Ask: A Call to Update Beliefs about the Gender Pay Gap," in the Academy of Management Discoveries.

The findings from this set of studies debunk the widespread belief that a critical explanation for the pay gap is gender differences in the tendency to negotiate. Kennedy conducted this research with Professor Laura Kray and Post-Doctoral Scholar Margaret Lee at UC Berkeley.

Now, women do ask

With a nationally representative sample, the authors first established that people believe men negotiate their salaries more often than women do. As an incentive for accurate estimates, study participants were paid more for estimates approximating actual salary figures. Generally, people estimated that 64% of men and 47% of women negotiated job offers. Next, the authors compared these percentages to the real figures using three different datasets.

"It was interesting and refreshing to see the nuance in people's beliefs about gender. People believed women were negotiating less often than men, but they also believed women faced discrimination too," says Kennedy. "People thought women were less likely to get what they asked for, recognizing asking as an imperfect solution."

How was this uncovered?



Two studies utilized data from graduating MBA students and alumni from a top U.S. business school. In both studies, women reported negotiating their job offers more (not less) often than men. The authors then re-analyzed data from prior studies with a broader sample, corroborating the results with a greater scope. Finally, they examined the downstream consequences of believing women negotiate less often than men.

In one study, 990 participants who graduated from business school between 2015 and 2019 were asked a series of questions about their job search, the essential one being, "Did you negotiate your job offer?" A total of 54% of women reported negotiating offers compared to 44% of men, contradicting the idea that women don't ask.

In a second study, nearly 2,000 business school alumni respondents provided details about their compensation and negotiation behaviors, including successful and unsuccessful attempts. In this study, the gender pay gap was 22%.

The study revealed that 64% of women and 59% of men reported trying to negotiate for promotions or better compensation. Again, this contradicted the idea that women don't ask. In addition, the study found a slight difference whereby 4% of men and 7% of women reported unsuccessful attempts to negotiate raises. Generally, negotiating worked; more attempts to ask were associated with better compensation.

To examine the generality of these findings, the authors then re-analyzed data collected from a variety of different samples between 1982 and 2015.

In this study with 5,108 people, the researchers found no evidence of a gender difference in negotiating propensity. Men and women were initiating salary negotiations at similar rates. Examining the trend over



time, the gender difference in negotiating rates declined. While it may have once been true that women negotiated their salaries less often than men, the trend no longer holds and may have reversed, at least in some populations.

Why does this matter? Outdated beliefs have consequences

Two later studies explored the consequences of negotiation-based explanations for the gender pay gap. Study 3 focused on support for legislation designed to support pay equity. First, Kennedy and her coauthors asked participants what percentage (from 0% to 100%) of the gender pay gap they believed was attributable to three different types of explanations. One type of explanation pointed to women's and men's negotiation abilities. Another type pointed to women's choices, such as number of hours worked; a third type pointed to issues of fairness.

When people attributed the gender pay gap to women's negotiation abilities, they were less inclined to support legislation that renders it illegal to consider a candidate's salary history when setting the current salary for a position. They were also more likely to endorse statements like, "Society is set up so that men and women usually get what they deserve." Results suggest that people who believe women negotiate less are less inclined to support policies to reduce the gender pay gap.

In Study 4, the researchers explored the consequences of negotiation-based explanations for broader gender stereotypes. Participants were exposed to a passage from a book that conveyed the "women don't ask" message or to a passage about the importance of negotiation. Exposure to the "women don't ask" message promoted endorsement of gender stereotypes along other dimensions, such as believing women are more nurturing and men are competitive. In addition, it increased belief in



personal choices as justifications for the gender pay gap.

"Men and women have actually become more similar over time, as their roles have converged, so viewing them as very different is a problem," says Kennedy.

What next?

Since the pay gap still exists despite women's strong negotiating skills, it's time to stop blaming working women for not doing their part. The researchers behind the study call for an update on beliefs about gender and the propensity to negotiate for higher pay.

"It's time for employers to take a clear look at how they pay people. Let's be sure we fix the system and get over the idea of fixing the women. The women don't need fixing," says Kennedy.

More information: Laura Kray et al, Now, Women Do Ask: A Call to Update Beliefs about the Gender Pay Gap, *Academy of Management Discoveries* (2023). DOI: 10.5465/amd.2022.0021

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